

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: ML-47969	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: NA	
2. NAME OF OPERATOR: THE HOUSTON EXPLORATION COMPANY		9. WELL NAME and NUMBER: North Horseshoe S-16-6-22	
3. ADDRESS OF OPERATOR: 1100 Louisiana Suite 2000 Houston TX 77002		10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2010' FNL + 595' FWL SWNW AT PROPOSED PRODUCING ZONE: Same as above		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 16, 6S, 22E. SLB+m.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 13.2 miles South of Ureah, UT		12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 595'	16. NUMBER OF ACRES IN LEASE: 2230	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA	19. PROPOSED DEPTH: 10,500'	20. BOND DESCRIPTION: 104155044	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4754'	22. APPROXIMATE DATE WORK WILL START: 09/21/2006	23. ESTIMATED DURATION: 30 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT	
30	26 A430 68.75#	40'	Portland CMT	1185ks 1.15ft ³ 13.5ppg
24	20 H-40 94#	350'	Portland CMT	3225ks 1.15ft ³ 15.8ppg
17 1/2	13 3/8 N-80 72#	3,900'	Premium "5"	7425ks 3.82ft ³ 16.0ppg
			Class "G"	5895ks 1.18ft ³ 15.6ppg
11	8 5/8 K-55 36#	7,000'	50/50 POZ'G	13615ks 1.25ft ³ 14.35ppg
7 7/8	4 1/2 N-80 11.6#	7,700'	PREM. AG300	265ks 1.73ft ³ 13.5ppg
7 7/8	4 1/2 P110 13.5#	10,500'	PREM. AG300	4615ks 1.73ft ³ 13.5ppg

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) William Ryan TITLE _____

SIGNATURE William A. Ryan DATE _____

(This space for State use only)

**Approved by the
Utah Division of
Oil, Gas and Mining**

**RECEIVED
JUL 26 2006**

API NUMBER ASSIGNED: 43-047-38406

APPROVAL:

Date: 10-10-06 DIV. OF OIL, GAS & MINING

By: [Signature]

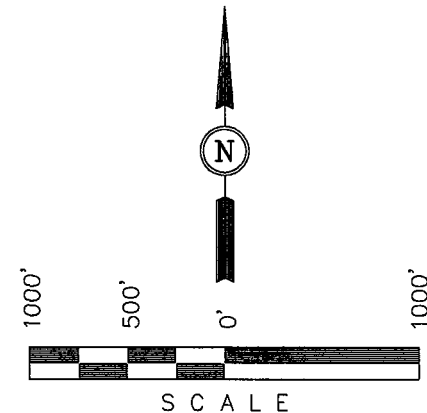
T6S, R22E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

Well location, NORTH HORSESHOE #5-16-6-22, located as shown in the SW 1/4 NW 1/4 of Section 16, T6S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A HILLTOP LOCATED IN THE SW 1/4 OF SECTION 11, T6S, R22E, S.L.B.&M. TAKEN FROM THE RASMUSSEN HOLLOW QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4993 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 12-01-05	DATE DRAWN: 12-07-05
PARTY N.H. D.S. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE THE HOUSTON EXPLORATION COMPANY	

LEGEND:

└─┘ = 90° SYMBOL

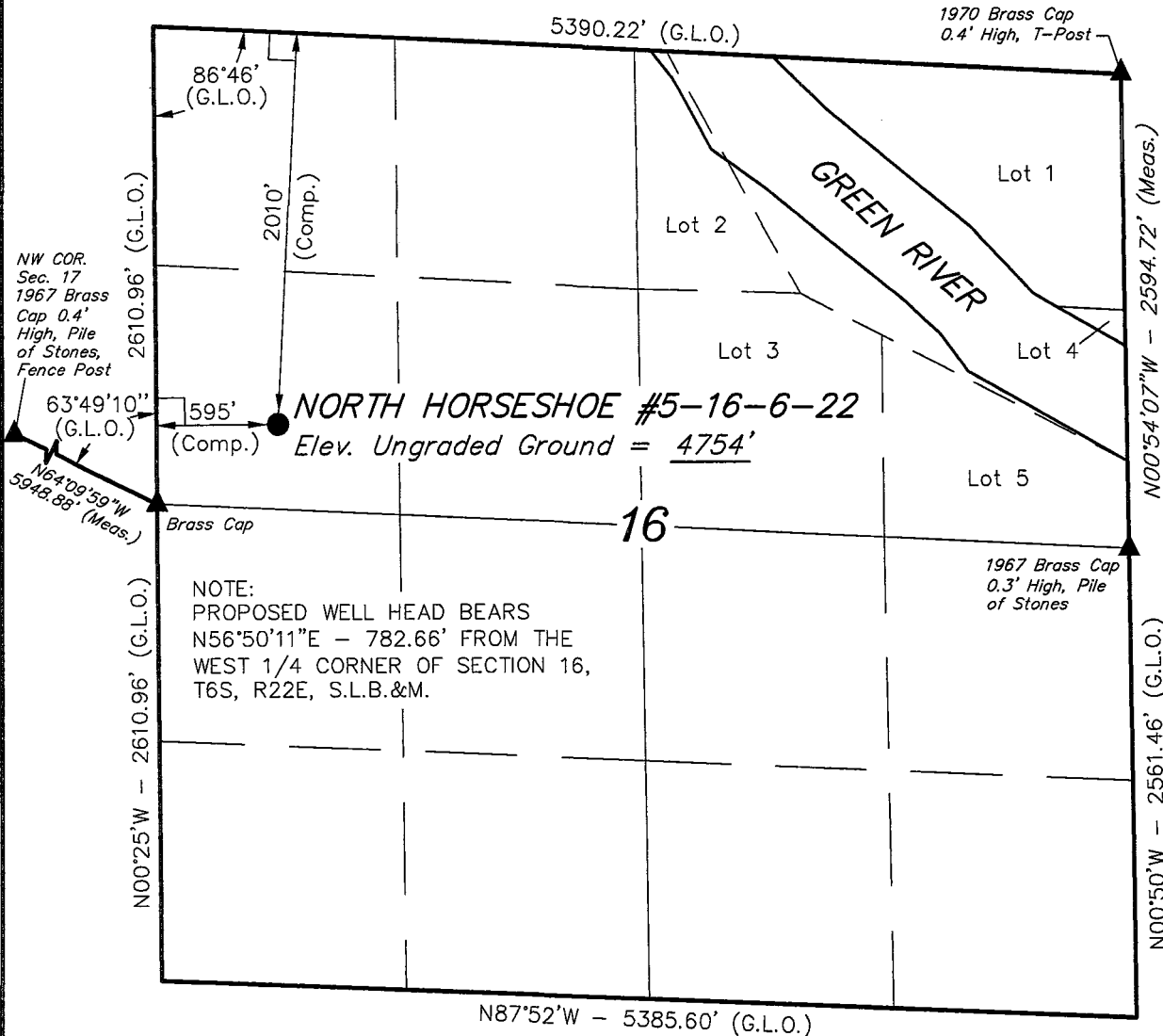
● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
LATITUDE = 40°18'01.81" (40.300503)
LONGITUDE = 109°27'17.24" (109.454789)
(AUTONOMOUS NAD 27)
LATITUDE = 40°18'01.94" (40.300539)
LONGITUDE = 109°27'14.76" (109.454100)

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



Ten Point Plan

The Houston Exploration Company

North Horseshoe 5-16-6-22

Surface Location SW $\frac{1}{4}$ NW $\frac{1}{4}$,

Section 16, T. 6S., R. 22E.

1. **Surface Formation**
Uintah

2. **Estimated Formation Tops and Datum:**

<u>Formation</u>		<u>Depth</u>	<u>Datum</u>
Uintah		Surface	4,754' G.R.
Birds Nest	Water	3,500'	1,254'
Green River	Oil/Gas	3,800'	954'
Wasatch	Oil/Gas	6,900'	-2,146'
Mesaverde	Oil/Gas	10,000'	-5,246'
TD		10,500'	-5,746'

A 17 1/2" hole will be drilled to 3,900' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest. All fresh water and oil and gas bearing zones shall be protected by casing and cement program.

3. **Producing Formation Depth:**

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

4. **Proposed Casing:**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
30	26	68.75#	A430		40'	NEW
24	20	94#	H-40	ST&C	350'	NEW
17 1/2	13 3/8	72#	N-80	ST&C	3,900'	NEW
11	8 5/8	36#	K-55	LT&C	7,000'	NEW
7 7/8	4 1/2	11.6#	N-80	LT&C	7,700'	NEW
7 7/8	4 1/2	13.5#	P110	LT&C	10,500'	NEW

Cement Program:

Cement volume = Gauge hole + 25%

Conductor casing #1 will be cemented as follows from 0'-40':

Note: Cement Volume = Gauge hole + 25%

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead:					
26	Portland CMT Class IA 4 Integral Air-entraining Agent	118 sks +/-	1.15ft ³ /sk	5	13.5 ppg

Cement Program:**Cement volume = Gauge hole + 25%****Conductor casing #2 will be cemented as follows from 0'- 350':**

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead:					
20	Portland CMT Class "G" 2% Calcium Chloride 1/4#/sk Flocele	322 sks +/-	1.15ft ³ /sk	5	15.8 ppg

The Surface Casing will be cemented as follows from 0' - 3,900':

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead:					
13 3/8"	Premium "5" 16% Gel 10#/sk Gilsonite 3% Salt 3#/sk GB3	742 sks. +/-	3.82ft ³ /sk	23	11.0 ppg
Tail:					
13 3/8"	Class "G" 2% Calcium Chloride 0.25#/sk Flocele	589 sks. +/-	1.18ft ³ /sk	5	15.6 ppg
Top Job:					
	Class "G" 4% Calcium Chloride 0.25#/sk Flocele	10-200 sks. +/-	1.15ft ³ /sk	5	15.8 ppg

Intermediate casing will be cemented as follows from 3,700' - 7,000':

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead:					
8 5/8"	50/50 POZ'G 5% Salt (BWOW) 0.6% HALAD 322 0.25#/sk Flowcele 0.2% Super CBL 2% Micro Bond	1,361 sks +/-	1.25ft ³ /sk	8.17	14.35 ppg

Production casing will be cemented as follows from 6,800'- 10,500:

Note: Lead should be 200' above the Wasatch.

<u>Casing Depth</u>	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Water Mix</u>	<u>Cement Weight</u>
Lead:	4 ½	PREM.AG300 50/50 POZ "G" CMT 2% Gel 0.4% Halad 344 0.25% HR-12 0.2% CFR-3 5#/sk Sillicalite 20% SSA-1 0.25#/sk Flowcele 0.2% Super CBL	608 sks +/-	1.73ft³/sk	8.17	13.5 ppg

5. BOP and Pressure Containment Data:

A 5000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 13 3/8" surface casing. An upper kelly cock to the required pressure rating with a handle available shall be employed.

The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-2000	Air/Clear Water	-----	No Control	Water/Gel
3,900-T.D.	8.4-12.0	30-45	8-10	LSND

water based mud system

Note: Mud weights may exceed 12.0 due to solids increasing at or near T.D. Increased weights are not required to control formation pressure. Operator will have on location sufficient mud and weight material to increase mud weight to 12.0 at any time while drilling the subject well. Visual mud monitoring incorporating pit level indicators shall be used.

7. Testing, Coring, Sampling and Logging:

- a) DST: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Mud Sampling: Every 10' from 3,900' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

8. Abnormalities (including sour gas)

Anticipated bottom hole pressure will be less than 5000 psi. No abnormal pressures, temperatures or other hazards are anticipated. Other wells drilled in the area have not encountered over pressured zones or H₂S.

9. Other facets of the proposed operation:

Off set well information

None

10. Drilling Schedule:

The anticipated starting date is 9/21/2006. Duration of operations is expected to be 30 days.

1. Existing Roads:

**The Houston Exploration Company
North Horseshoe 5-16-6-22
Section 16, T6S, R 22E**

Proceed in an easterly, then southerly direction from Vernal, UT along US Highway 40 approximately 3.9 miles to the junction of state highway 45; exit right and proceed in a southerly, then southeasterly direction approximately 7.6 miles on state highway 45 to the junction of this road and an existing road to the southeast; turn left and proceed in a southeasterly direction approximately 0.9 miles to the beginning of the proposed access to the southeast; follow road flags in a southeasterly, then easterly, then southeasterly direction approximately 0.8 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 13.2 miles.

All existing roads to the proposed location are State of Utah, BLM maintained, County Class D roads or private roads.

Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 480' of new construction on lease and approximately 3,580' of new

construction on Private Property off lease. The road will be graded once per year minimum and maintained.

A) Approximate length	4060 ft
B) Right of Way width	30 ft
C) Running surface	18 ft
D) Surface material	Native soil
E) Maximum grade	8%
F) Fence crossing	Yes
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road Flagged	Yes
K) Access road surface ownership	State & Private
L) All new construction on lease	No
M) Pipe line crossing	None
N) Staging Areas	None

Please see the attached location plat for additional details.

An off lease right-of-way will not be required, due to a surface agreement with the private land owner.

All new surface disturbances for the access road and location will be within the lease boundary or on private land.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

A) Producing well	None
B) Water well	None
C) Abandoned well	None
D) Temp. abandoned well	None
E) Disposal well	None

- F) Drilling /Permitted well None
 G) Shut in wells None
 H) Injection well None
 I) Monitoring or observation well None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted an **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 8,860' +/- of 3" steel surface gas gathering line would be constructed on State, Private and Federal Lands. The line will tie into the proposed pipeline in Section 7, T6S, R22E. The pipeline would be strung and boomed to the northwest of the location and parallel to the access road. The pipeline may be buried as determined by the Authorized Officer at the onsite.

An off lease right-of-way will be required for approximately 1,590'. An SF-299 has been filed with the BLM, Vernal Field Office. A surface agreement is in place for the off lease portion of the pipeline on private land.

Please see the attached location diagrams for pipeline location.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the State of Utah, Division of Oil, Gas, and Mining.

All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from a private source or a Vernal City Tap at Dalbo/A-1 Tanks located at 355 South 1000 East in Vernal, UT.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for

drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. **Evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation.**

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

A) Pad length	345 ft.
B) Pad width	245 ft.
C) Pit depth	12 ft.
D) Pit length	150 ft.
E) Pit width	75 ft.
F) Max cut	9.5 ft.
G) Max fill	2.5 ft.
H) Total cut yds.	9,430 cu yds
I) Pit location	North end
J) Top soil location	Southwest end
K) Access road location	West end
L) Flare Pit	Corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more

than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,680 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. **The unused portion of the location (the area outside the dead men) will be re-contoured.**

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

**To be determined by the
Authorized Officer.**

11. Surface ownership:

Access road

State, Federal & Private

Location

State

Pipe line

State, Federal & Private

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of non-native species. Rabbit brush, bitter brush, and Indian Rice grass and Sagebrush are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed.
A copy of that survey will be
forwarded to your office.

If, during operations, any
archaeological or historical
sites, or any objects of antiquity
(subject to the antiquities act of
June 8, 1906) are discovered, all
operations, which would affect
such sites, will be suspended
and the discovery reported
promptly to the surface
management agency.

D) Water:

**The nearest water is the
Green River 3,200' to the
North.**

E) Chemicals:

No pesticides, herbicides or
other possible hazardous
chemicals will be used without
prior application.

F) Notification:

- a) Location Construction
At least forty eight (48)
hours prior to
construction of location
and access roads.
- b) Location completion
Prior to moving on the
drilling rig.
- c) Spud notice
At least twenty-four (24)
hours prior to spudding
the well.
- d) Casing string and
cementing
At least twenty-four (24)
hours prior to running

casing and cementing all
casing strings.

- e) BOP and related
equipment tests
At least twenty-four (24)
hours prior to initial
pressure tests.
- f) First production notice
Within five (5) business
days after the new well
begins, or production
resumes after well has
been off production for
more than 90 days.

G) Flare pit:

The flare pit will be located in
corner C of the reserve pit out
side the pit fences and 100 feet
from the bore hole on the east
side of the location. All fluids
will be removed from the pit
within 48 hours of occurrence.

13. Lessees or Operator's representative
and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations
will be conducted in such a
manner that full compliance is
made with all applicable laws,
regulations, onshore oil and gas
orders, and any applicable

notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date _____



William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

Private land owner information:

**Burnell Slaugh
4815 S 2500 E
Vernal, UT 84078
435-789-4024**

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #5-16-6-22

LOCATED IN UINTAH COUNTY, UTAH

SECTION 16, T6S, R22E, S.L.B.&M.

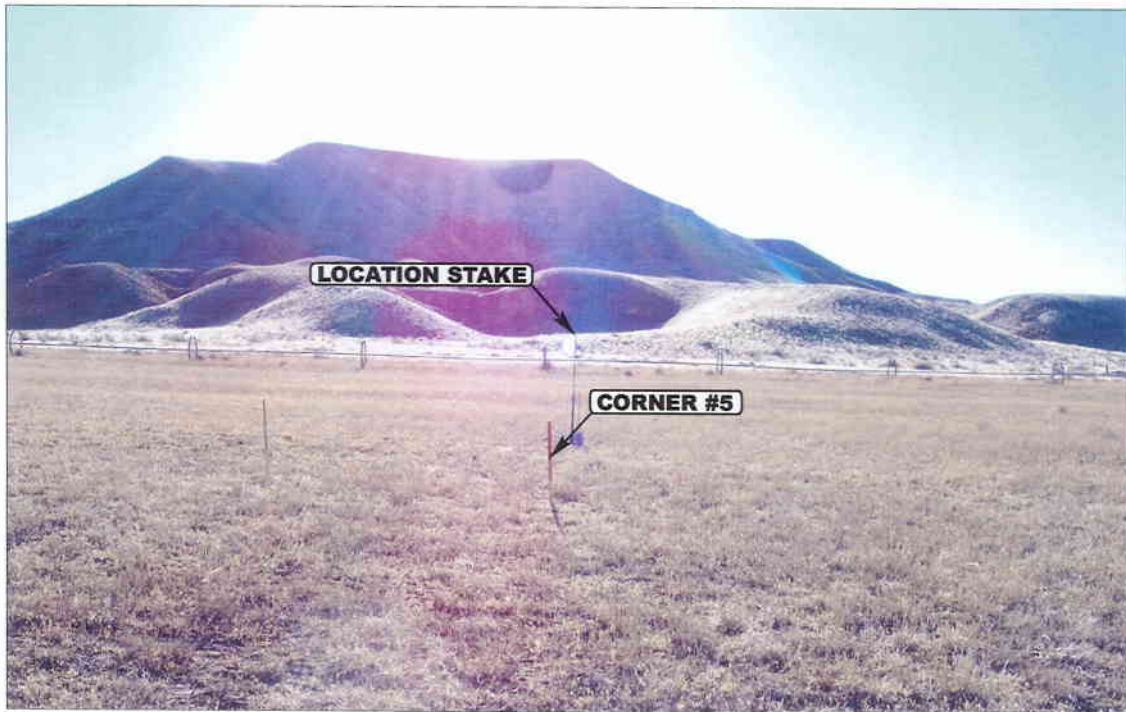


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



U E L S Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

- Since 1964 -

LOCATION PHOTOS

12 14 05
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: C.H.

REVISED: 00-00-00

THE HOUSTON EXPLORATION COMPANY

FIGURE #1

LOCATION LAYOUT FOR

NORTH HORSESHOE #5-16-6-22
SECTION 16, T6S, R22E, S.L.B.&M.
2010' FNL 595' FWL

Approx.
Top of
Cut Slope

C-0.8'
El. 54.4'

C-8.3'
El. 61.9'

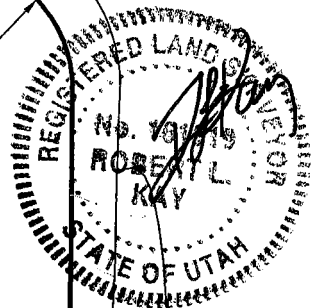
Sta. 3+45

SCALE: 1" = 50'
DATE: 12-07-05
Drawn By: P.M.

F-0.6'
El. 53.0'

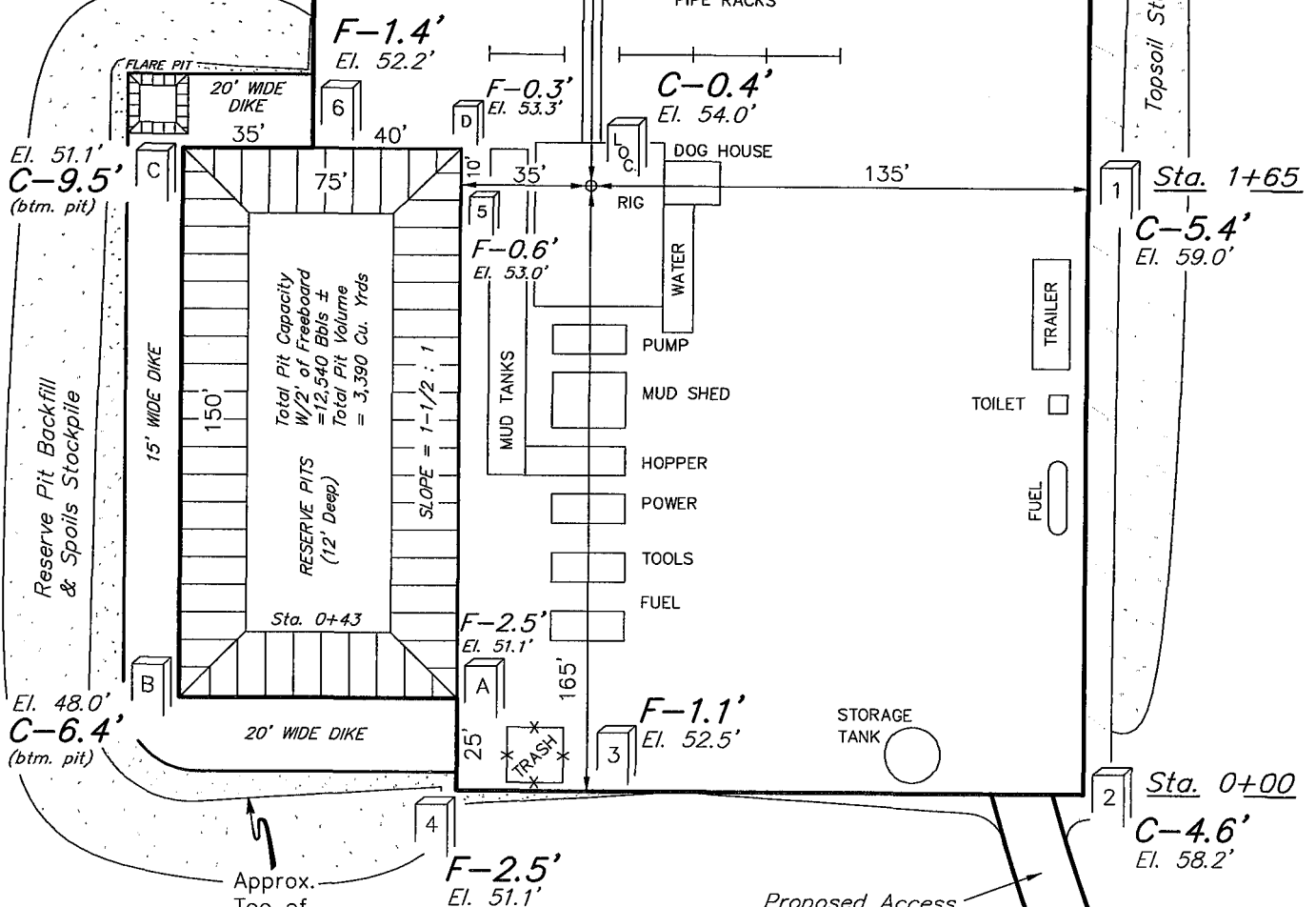
C-2.9'
El. 56.5'

Round Corner
as needed



NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Approx.
Toe of
Fill Slope

Proposed Access
Road

Elev. Ungraded Ground At Loc. Stake = 4754.0'

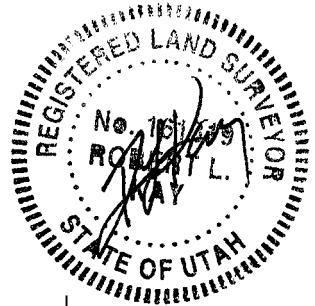
FINISHED GRADE ELEV. AT LOC. STAKE = 4753.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

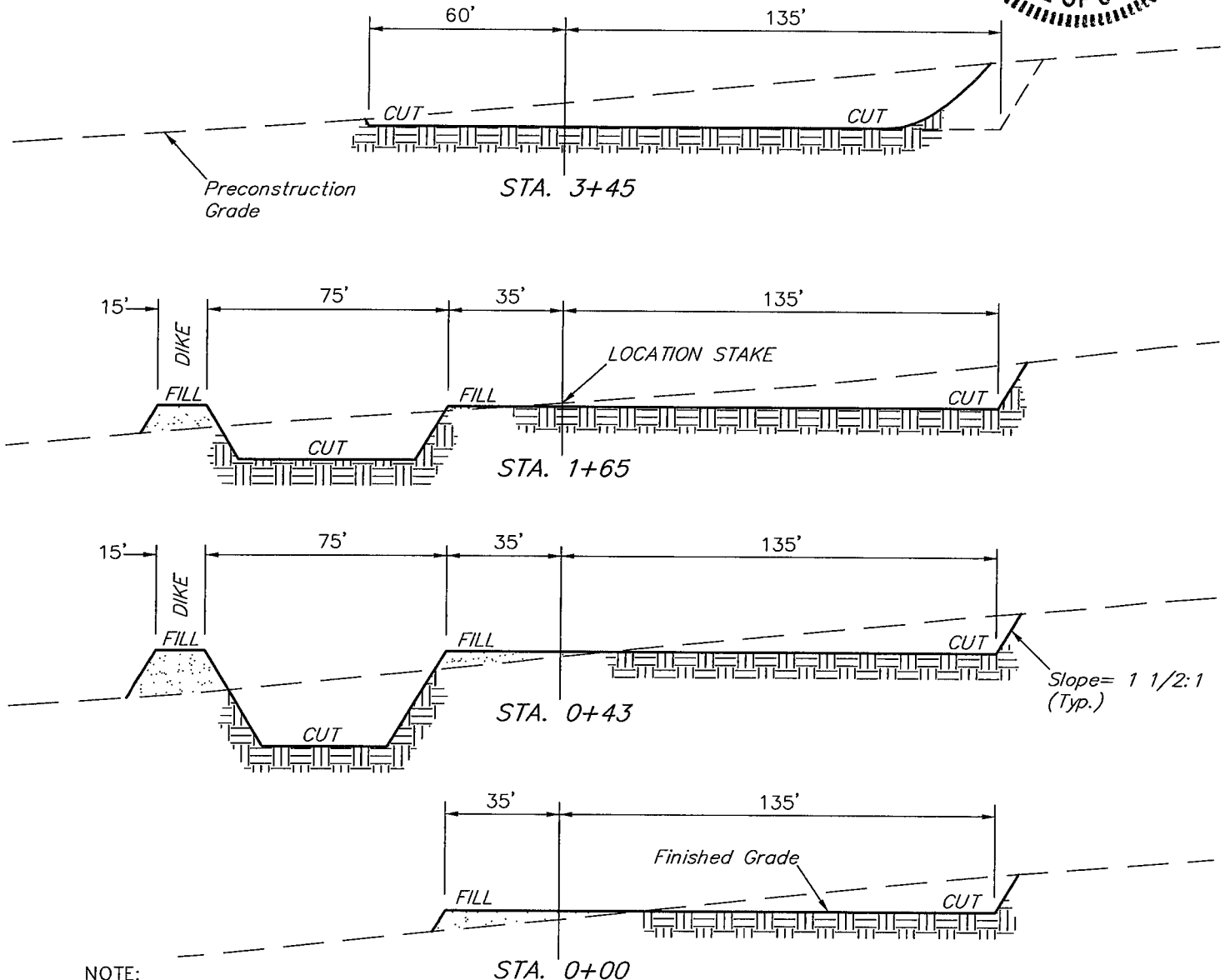
THE HOUSTON EXPLORATION COMPANY

FIGURE #2

TYPICAL CROSS SECTIONS FOR
NORTH HORSESHOE #5-16-6-22
SECTION 16, T6S, R22E, S.L.B.&M.
2010' FNL 595' FWL



1" = 20'
X-Section
Scale
1" = 50'
DATE: 12-07-05
Drawn By: P.M.



NOTE:
Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

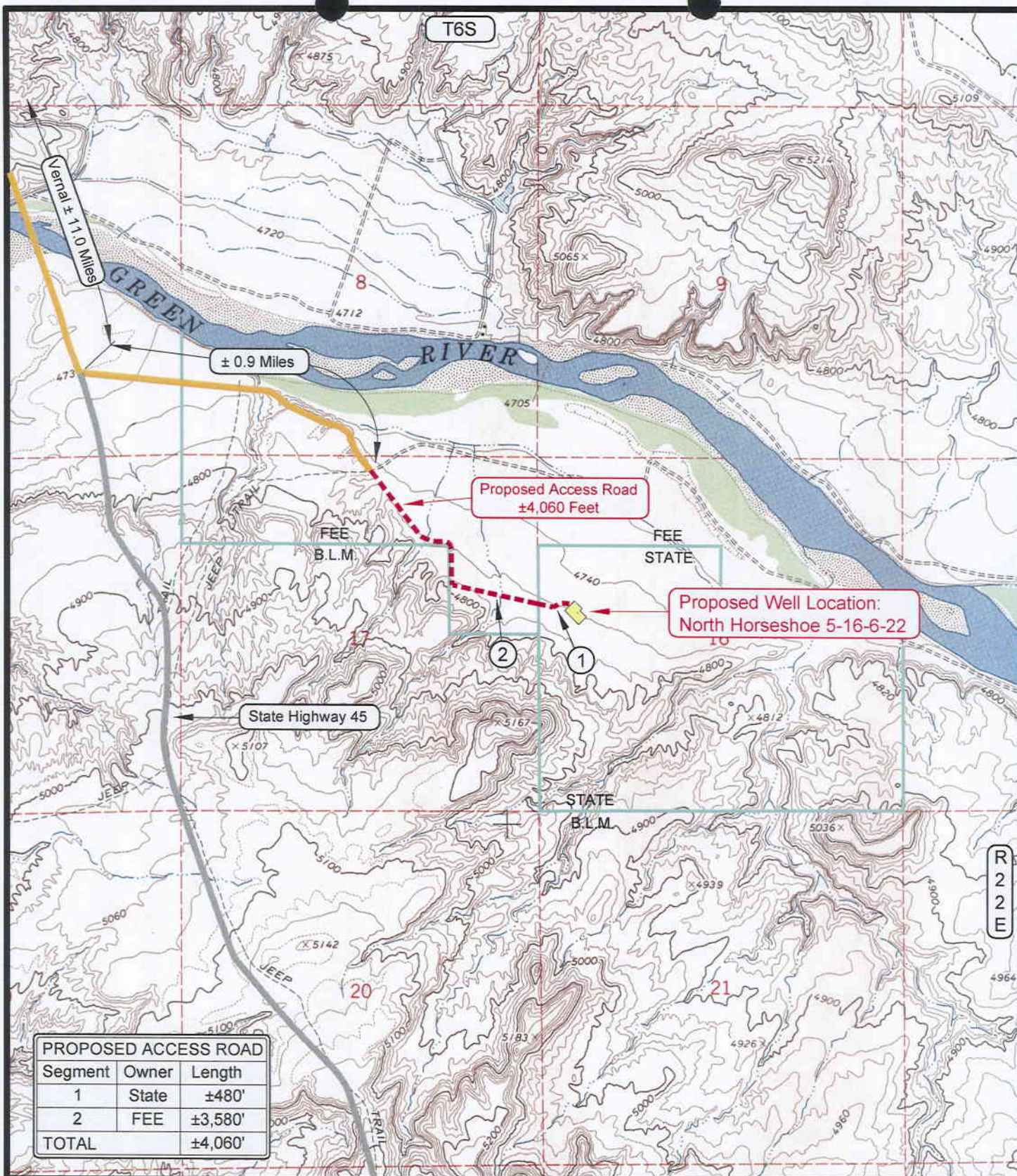
APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,680 Cu. Yds.
Remaining Location = 7,750 Cu. Yds.

TOTAL CUT = 9,430 CU.YDS.
FILL = 1,720 CU.YDS.

EXCESS MATERIAL = 7,710 Cu. Yds.
Topsoil & Pit Backfill = 3,380 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 4,330 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: B.J.Z.

DATE SURVEYED: 07-05-06

DATE DRAWN: 07-06-06

REVISED:

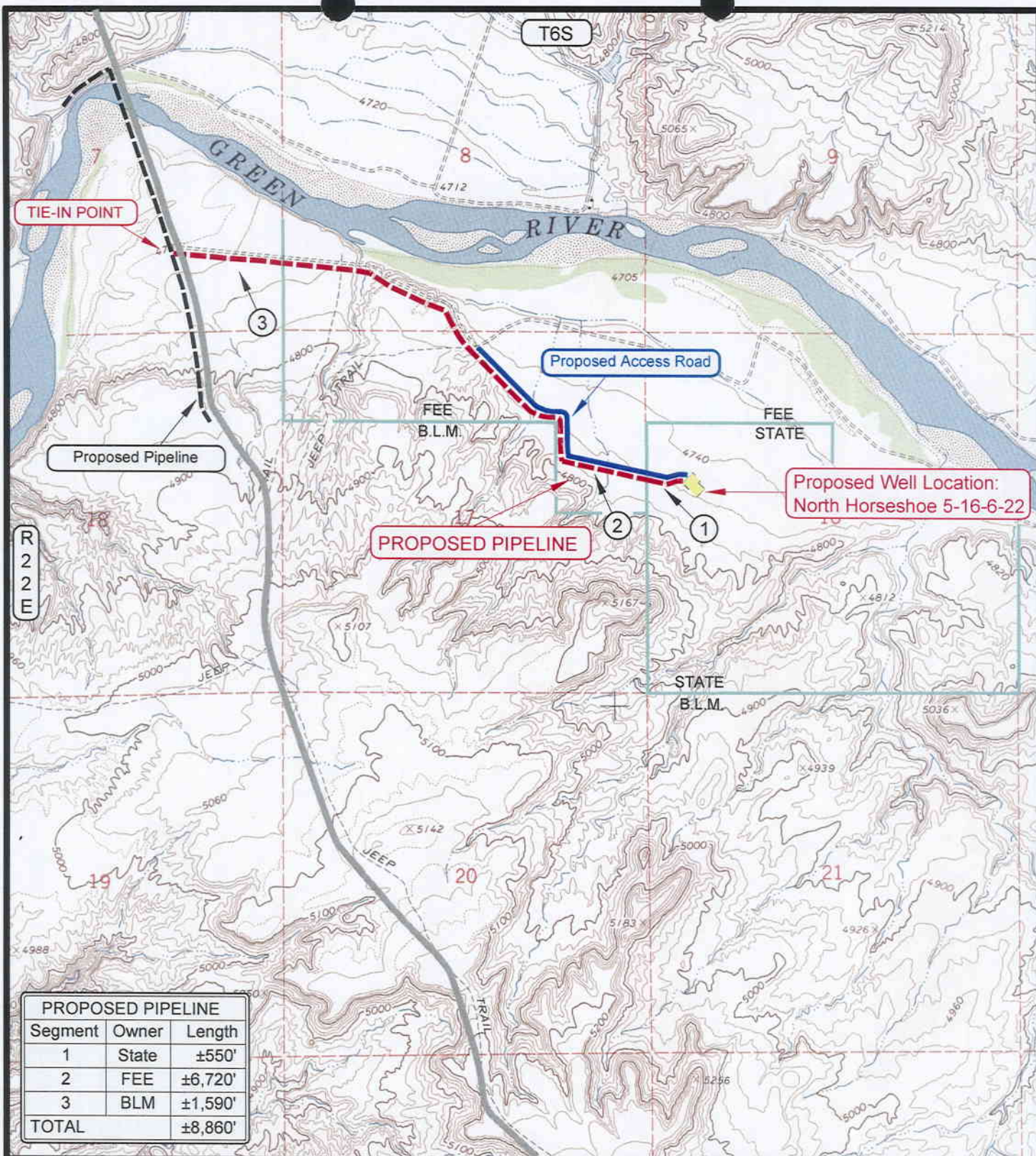
THE HOUSTON EXPLORATION COMPANY

North Horseshoe 5-16-6-22
SECTION 16, T6S, R22E, S.L.B.&M.
2010' FNL & 595' FWL

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

B
TOPO



APPROXIMATE PIPELINE LENGTH = 8,860 FEET

LEGEND

- = PROPOSED PIPELINE
- - - = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "D"

SCALE: 1" = 2000'

DRAWN BY: B.J.Z.

DATE SURVEYED: 07-05-06

DATE DRAWN: 07-06-06

REVISED:

THE HOUSTON EXPLORATION COMPANY

North Horseshoe 5-16-6-22
SECTION 16, T6S, R22E, S.L.B.&M.
2010' FNL & 595' FWL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

D
Topo

SURFACE DAMAGE AND RIGHT-OF-WAY AGREEMENT

THIS AGREEMENT is made by and between Burnell Slaugh, herein called "Owner" and The Houston Exploration Company, herein called "Operator"

WHEREAS, Owner represents that is the surface owner and in possession of an interest in part or all of the surface estate of the following described lands in Uintah County, UT, said land herein called "Lands," to

Township 6 South, Range 22 East
Section(s): 8 & 17

WHEREAS, Operator has acquired certain leasehold interests in the oil and gas mineral estate in the Lands and propose to conduct drilling and subsequent production operations in the SW/NW part of the Lands: as **marked in exhibit "a"**.

WHEREAS, Owner and Operator desire to minimize any surface damage to the Lands as marked in **exhibit "a"** and to reach an agreement regarding such surface damage.

NOW, THEREFORE, in consideration of TEN DOLLARS (\$10.00) and other valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Operator shall pay Owner a sum of money, pursuant to a letter agreement dated June 30, 2006, as full settlement and satisfaction of all damages growing out of, incident to, or in connection with the usual and customary exploration, drilling, completion, reworking, equipping and production operations, in regard to the following:

- a. the well-site(s) located on said Lands:
- b. any lands used for road purpose, production facilities, pipelines, flowlines or other necessary facilities in connection with the well-site(s); and
- c. a right-of-way across Owner's Lands for ingress and egress to the well-site(s) and associated facilities for the life of the well as **marked on exhibit "b"**.

2. If, by reasons directly resulting from the operations of Operator, there is damage to real or personal property upon the Lands which is not associated with usual and customary operations, such as (but not limited to) damage or livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, such damage will be repaired or replaced by Operator, or Operator will pay reasonable compensation to Owner for such additional damage.

3. In conducting operations on the Lands, Operator shall:

- a. Limit the size of such well-site(s) to that size reasonably necessary for conducting its drilling, completion, re-completion or work-over operations. **See exhibit "c"**
- b. Separate the top soil at the time of excavation of pits so that the soil and subsurface soil be placed back in proper order as nearly as possible. **See exhibit "c"**
- c. Reclaim the well-site(s) as nearly as practicable to its original condition and if the location is in pasture, reseed the location with native grasses. Weather permitting, reclamation operations shall be completed as soon as is feasible following drilling and subsequent related operations, unless Operator and Owner mutually agree to postponement because of crop or other considerations.
- d. Use its best efforts to keep the well and battery sites free of weeds and debris.

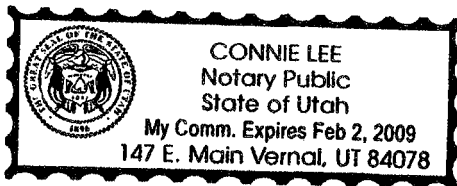
4. Owner shall receive additional compensation for pipelines, other than flowlines, pursuant to a Letter Agreement dated June 30, 2006, at Operators customary compensation for rights of way.
5. When the word "Operator" is used in the Agreement, it shall also mean the successors and assigns of The Houston Exploration, including but not limited to its employees and officers, agents, affiliates, contractors, subcontractors and/or purchasers.
6. Owner shall receive additional compensation for pipelines and roads, other than the one road and pipeline into the well site **North Horseshoe 5-16-6-22**, at Operators customary compensation for right-of-way. See exhibit "b".
7. This agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties.

Dated this 30th day of June 2006

By: William A Ryan
William A Ryan, AGENT
435-789-0968

By: Burnell Slaugh
Burnell Slaugh
435-789-4024

Notary:



STATE OF UTAH

County of Utah } ss.

On the 7th day of July, 2006
personally appeared before me

William A. Ryan & Burnell Slaugh
the signer of the within instrument, who duly
acknowledged to me that They executed the same.

Connie Lee
Notary Public

My Commission Expires: 2-2-09

Residing in Vernal Ut.

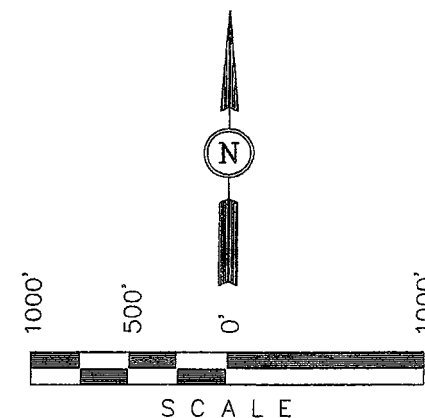
T6S, R22E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

Well location, NORTH HORSESHOE #5-16-6-22, located as shown in the SW 1/4 NW 1/4 of Section 16, T6S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A HILLTOP LOCATED IN THE SW 1/4 OF SECTION 11, T6S, R22E, S.L.B.&M. TAKEN FROM THE RASMUSSEN HOLLOW QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4993 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

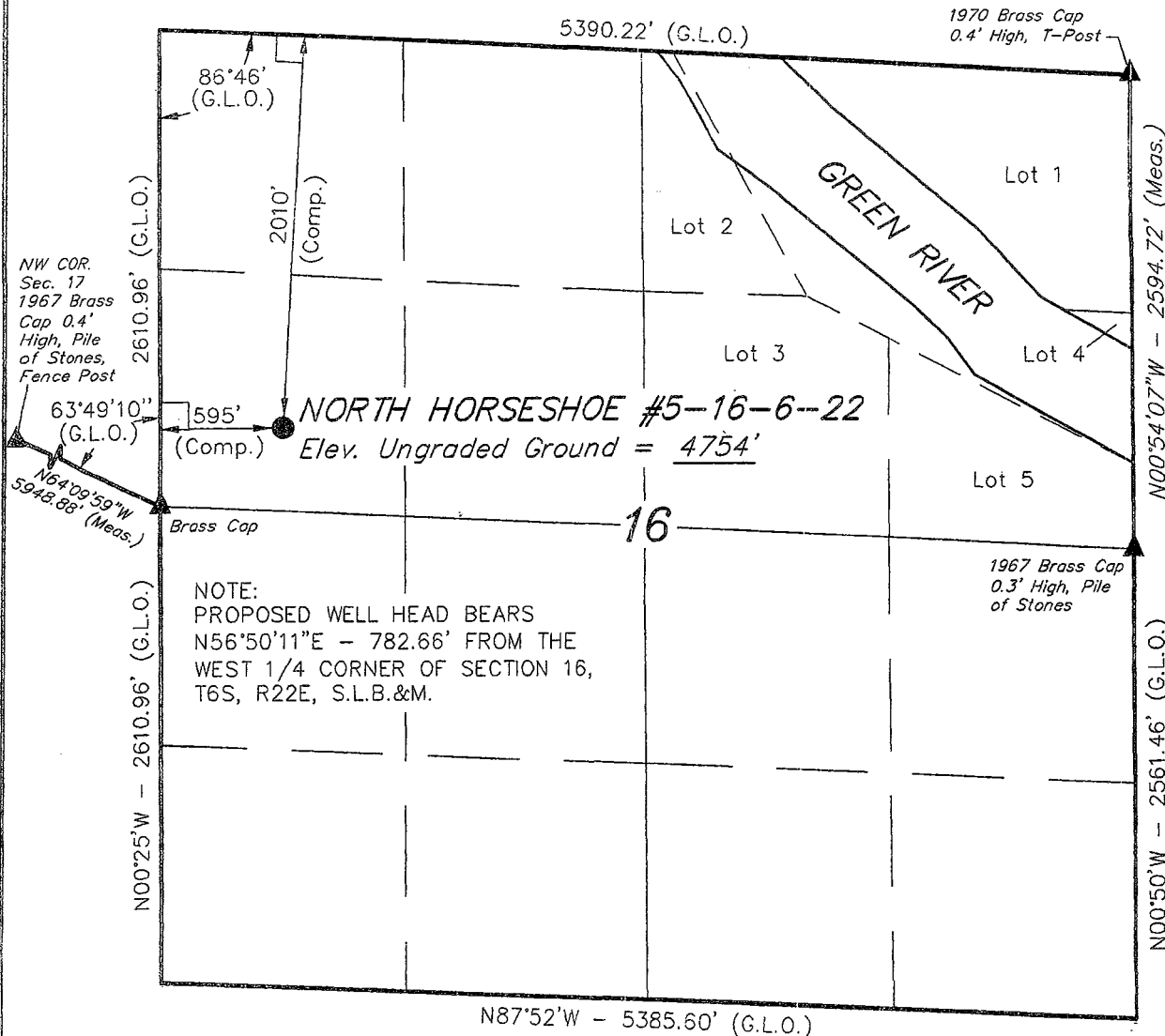
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 12-01-05	DATE DRAWN: 12-07-05
PARTY N.H. D.S. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE THE HOUSTON EXPLORATION COMPANY	



N87°52'W - 5385.60' (G.L.O.)

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

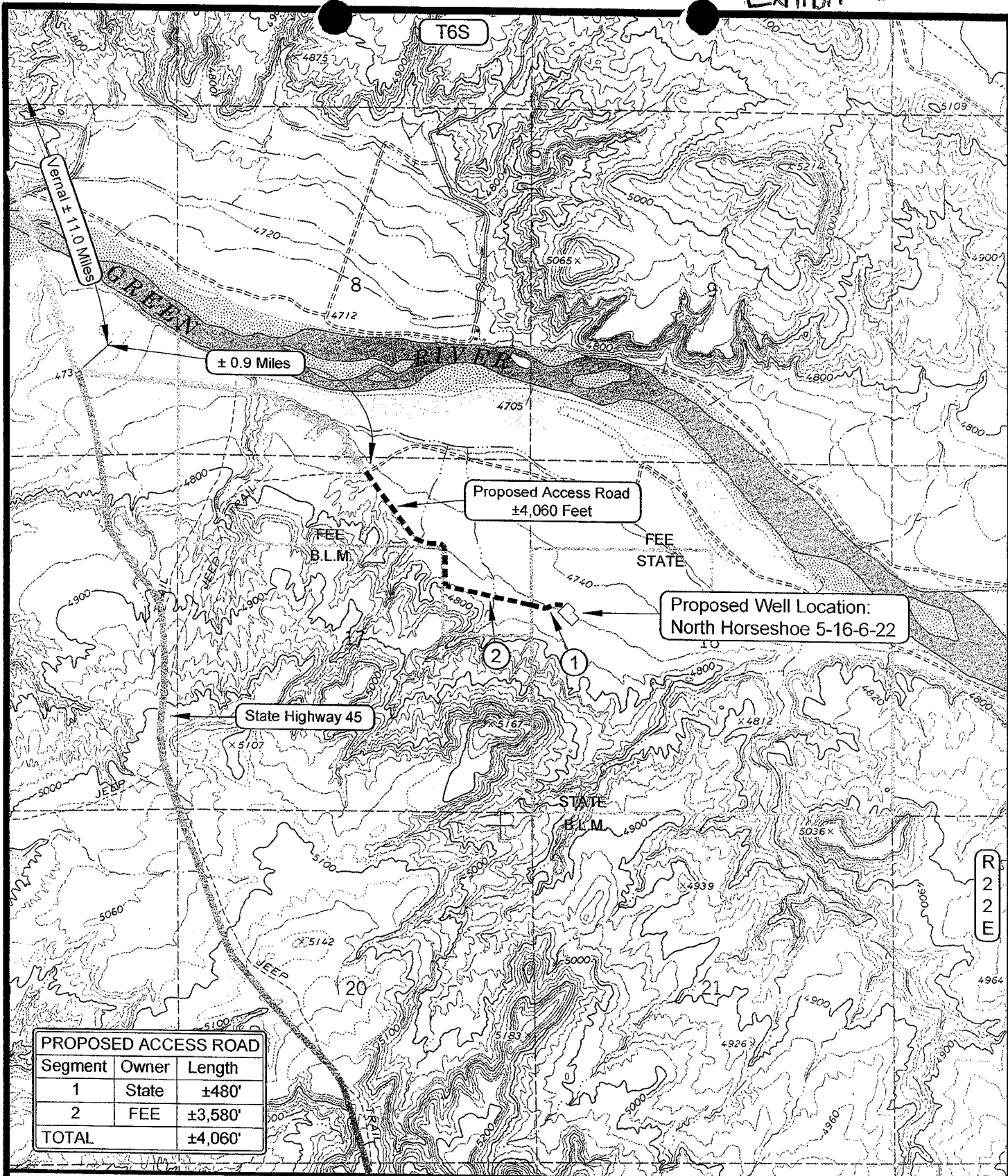
(AUTONOMOUS NAD 83)
LATITUDE = 40°18'01.81" (40.300503)
LONGITUDE = 109°27'17.24" (109.454789)
(AUTONOMOUS NAD 27)
LATITUDE = 40°18'01.94" (40.300539)
LONGITUDE = 109°27'14.76" (109.454100)

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.



LEGEND

- PROPOSED ACCESS ROAD
 ■■■■ = SUBJECT WELL
 ○○○○ = OTHER WELLS
 ——— = EXISTING ROAD
 - - - - = EXISTING ROAD (TO BE IMPROVED)
 (B-5460) = COUNTY ROAD CLASS & NUMBER
 - - - - - = LEASE LINE AND / OR PROPERTY LINE

THE HOUSTON EXPLORATION COMPANY

North Horseshoe 5-16-6-22
 SECTION 16, T6S, R22E, S.L.B.&M.
 2010' FNL & 595' FWL

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: B.J.Z.

DATE SURVEYED: 07-05-06

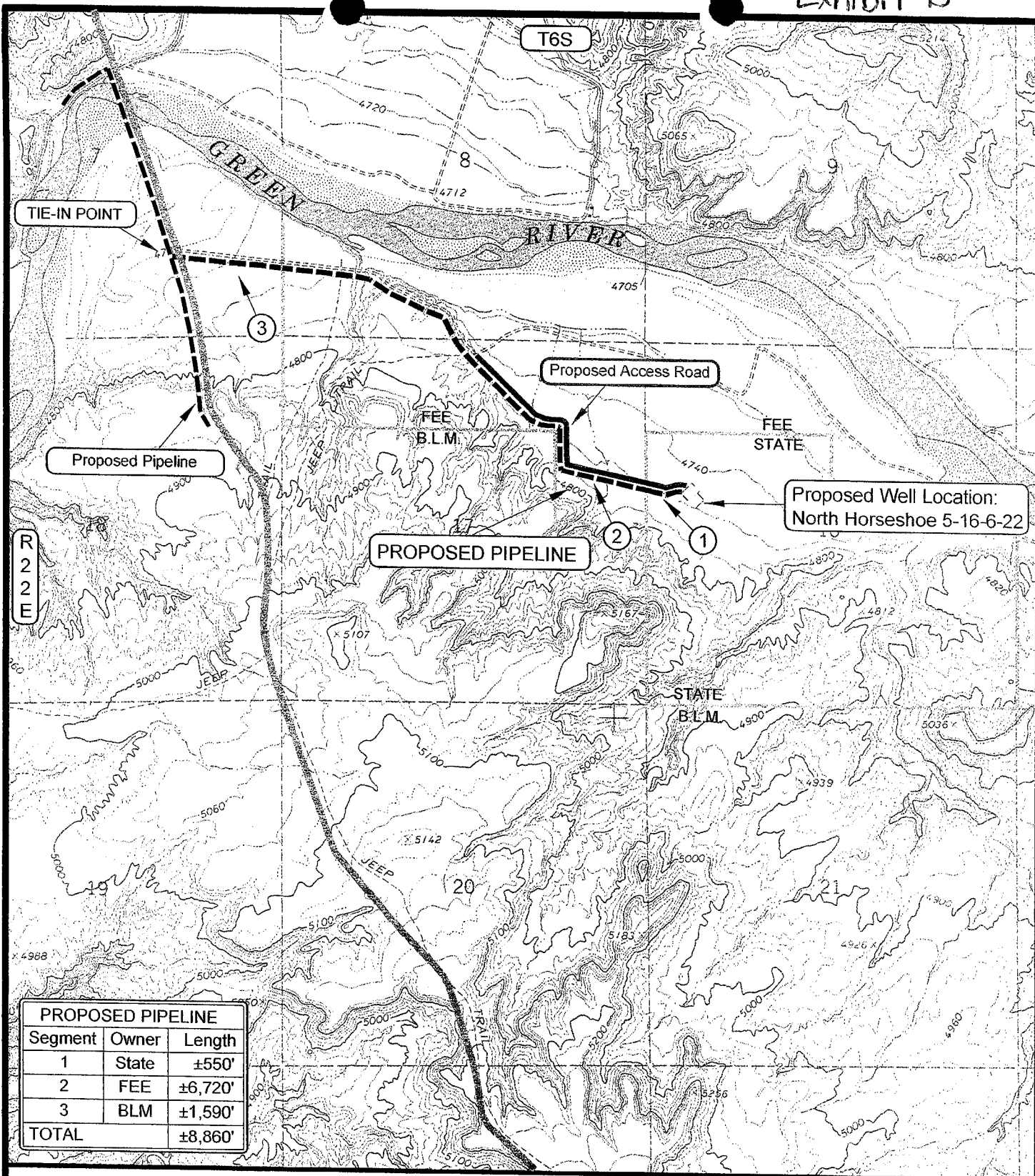
DATE DRAWN: 07-06-06

REVISED:

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

B
 TOPO



APPROXIMATE PIPELINE LENGTH = 8,860 FEET

LEGEND

- = PROPOSED PIPELINE
- = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 07-05-06

DATE DRAWN: 07-06-06

SCALE: 1" = 2000'

DRAWN BY: B.J.Z.

REVISED:

THE HOUSTON EXPLORATION COMPANY

North Horseshoe 5-16-6-22
SECTION 16, T6S, R22E, S.L.B.&M.
2010' FNL & 595' FWL

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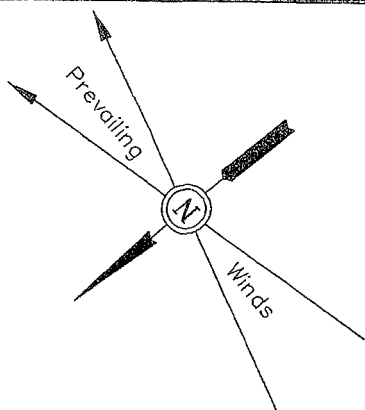
D
Topo

THE HOUSTON EXPLORATION COMPANY

FIGURE #1

LOCATION LAYOUT FOR

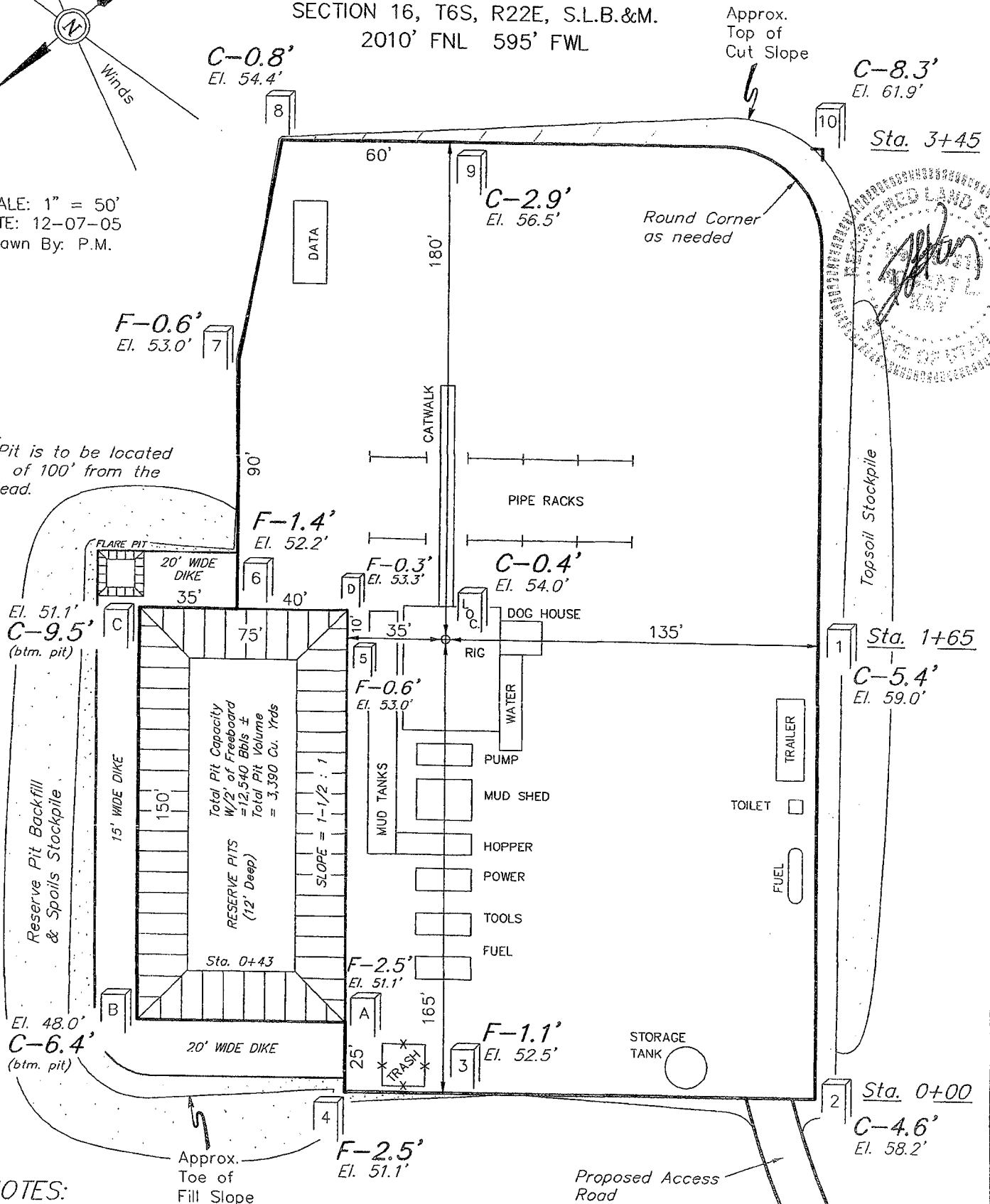
NORTH HORSESHOE #5-16-6-22
SECTION 16, T6S, R22E, S.L.B.&M.
2010' FNL 595' FWL



SCALE: 1" = 50'
DATE: 12-07-05
Drawn By: P.M.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.

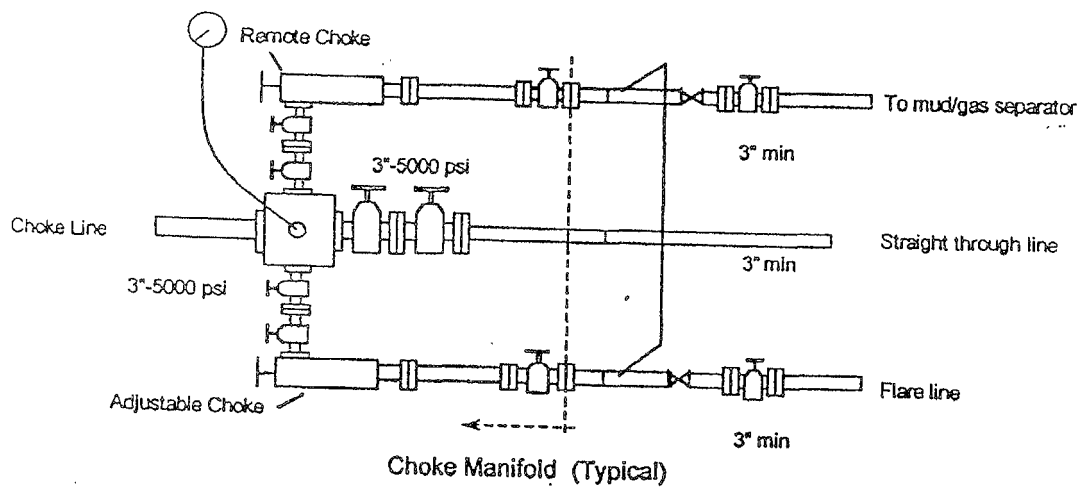
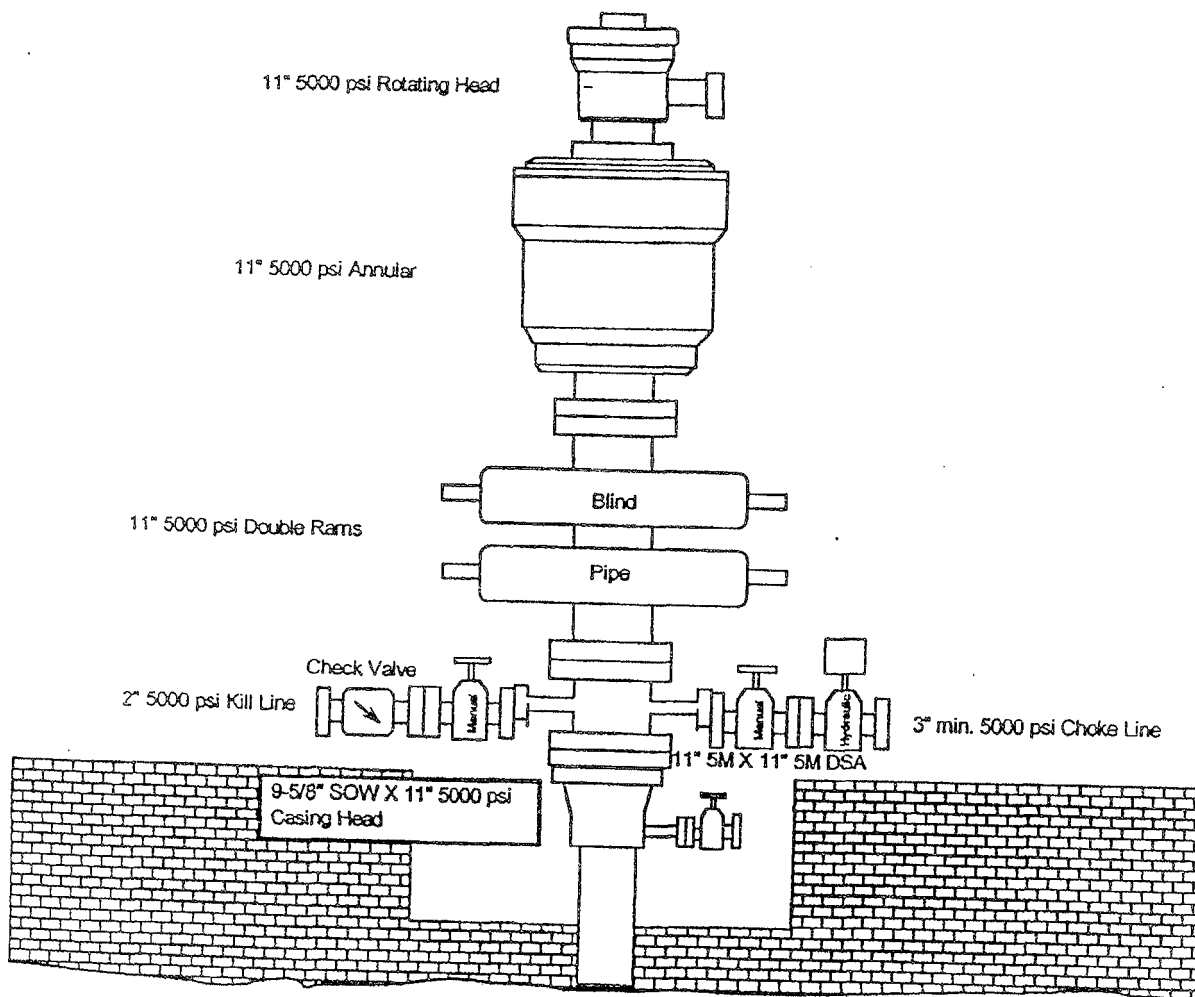


NOTES:

Elev. Ungraded Ground At Loc. Stake = 4754.0'

FINISHED GRADE ELEV. AT LOC. STAKE = 4753.6'

BOPE Diagram 5000 psi WP



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/26/2006

API NO. ASSIGNED: 43-047-38406

WELL NAME: N HORSESHOE 5-16-6-22

OPERATOR: HOUSTON EXPLORATION CO, (N2525)

CONTACT: BILL RYAN

PHONE NUMBER: 713-830-6800

PROPOSED LOCATION:

SWNW 16 060S 220E

SURFACE: 2010 FNL 0595 FWL

BOTTOM: 2010 FNL 0595 FWL

COUNTY: UINTAH

LATITUDE: 40.30106 LONGITUDE: -109.4546

UTM SURF EASTINGS: 631343 NORTHINGS: 4462109

FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRD	10/6/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47969

SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104155044)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. Municipal)
☒ RDCC Review (Y/N)
(Date: 08/19/2006)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit: _____
☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
☐ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (08-24-06)

STIPULATIONS:

1- Spacing Strip
2- STATEMENT OF BASIS
3- Cement strength (20" and 13 3/8")

N HORSESHOE 16-9-6-22

T6S R22E

N HORSESHOE 5-16-6-22

16

N HORSESHOE 3-21-6-22

OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC: 16 T.6S R. 22E

FIELD: WILDCAT (001)

COUNTY: UINTAH

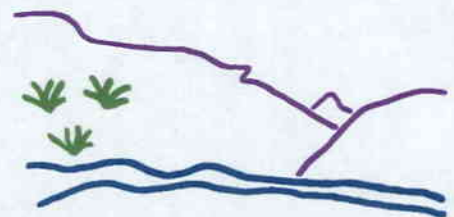
SPACING: R649-3-2 / GENERAL SITING

Field Status
 ABANDONED
 ACTIVE
 COMBINED
 INACTIVE
 PROPOSED
 STORAGE
 TERMINATED

Unit Status
 EXPLORATORY
 GAS STORAGE
 NF PP OIL
 NF SECONDARY
 PENDING
 PI OIL
 PP GAS
 PP GEOTHERML
 PP OIL
 SECONDARY
 TERMINATED

Wells Status

GAS INJECTION
 GAS STORAGE
 LOCATION ABANDONED
 NEW LOCATION
 PLUGGED & ABANDONED
 PRODUCING GAS
 PRODUCING OIL
 SHUT-IN GAS
 SHUT-IN OIL
 TEMP. ABANDONED
 TEST WELL
 WATER INJECTION
 WATER SUPPLY
 WATER DISPOSAL
 DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
 DATE: 04-AUGUST-2006

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: NORTH HORSESHOE 5-16-6-22
API NUMBER: 43-047-38406
LOCATION: 1/4,1/4 SW/NW Sec:16TWP: 6S RNG: 22E, 2010 FNL 595 FWL

Geology/Ground Water:

Houston proposes to set 40 feet or 350 feet of conductor casing and 3,900 feet of surface casing with both being cemented to the surface. The base of the moderately saline water is estimated at 2,800 feet. A search of Division of Water Rights records shows 2 water wells within a 10,000 foot radius of the proposed location. Both wells are approximately .5 miles from the proposed location. One well is listed as 120 feet deep the other has no depth listed. Water use is listed as domestic, industrial, irrigation and stock watering. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 06/29/06

Surface:

The pre-drill investigation of the surface was performed on August 24, 2006. This site is on State surface, with State minerals. Jim Davis and Ed Bonner with SITLA and Ben Williams of UDWR were invited to this investigation by email on August 15, 2006. Mr. Davis sent an email on August 22, 2006 stating SITLA would not be represented. Mr. Williams was present. Ms. Ginger Stringham, a Permit Agent for Houston Exploration, represented the operator. The location is within a SITLA Agricultural Lease, leased to Burnell Slaugh. The Slaugh's own adjacent property, which is also cultivated and irrigated with wheel-line irrigation systems. A portion of the proposed access road also will cross the Slaugh's property. Houston Exploration has reached an agreement with the Slaugh's for the road ROW. They also have agreed to compensate the Slaugh's for the loss of the agriculture within the area made unusable by the well operation. Mr. Williams representing the UDWR stated the area is classified as high value yearlong habitat for antelope and critical value yearlong habitat for deer(relative to its vicinity to the Green River). He did not recommend any restriction periods or actions to the Operator for these species. He stated no other wildlife species are expected to be significantly affected. Mr. Williams also gave Ms. Stringham a UDWR recommended seed mix to be used when reserve pit and location are reclaimed.

The site appears to be the best site for a location in the immediate area.

Reviewer: Floyd Bartlett **Date:** 08/25/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: NORTH HORSESHOE 5-16-6-22
API NUMBER: 43-047-38406
LEASE: ML-47969 **FIELD/UNIT:** WILDCAT
LOCATION: 1/4, 1/4 SW/NW Sec: 16 TWP: 6S RNG: 22E, 2010 FNL 595 FWL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 4,462,109 N 631,343 E **SURFACE OWNER:** STATE OF UTAH

PARTICIPANTS

Floyd Bartlett (DOGM), Ginger Stringham (HOUSTON), Ben Williams (UDWR)
Gary Gerber (Stubbs & Stubbs Construction), Kolby Kay, (Timberline Land
Surveying)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

→ The general setting and topography is within the bottom of the Green River Drainage. The bottom was formed by ancient river actions and deposited sediments. The area is approximately 13 miles south of Vernal, Utah and accessed by State Highway 45, a medium standard Uintah County graveled road and a proposed road 4,060 feet in length to be constructed. 1,1/4#, 580 feet of the new road is on FEE lands with the remainder on SITLA.

The proposed North Horseshoe 5-16-6-22 well is on a sandy gentle sideslope approximately 3/8 miles south of the river. The proposed location is on SITLA lands of which the surface is under an Agricultural lease to Burnell Slaugh of Vernal, UT. This portion of SITLA lands jog north into private lands he owns and is cultivated for alfalfa hay. They are irrigated by wheel lines with water pumped from the Green River. The only perennial water in the area is in the Green River.

SURFACE USE PLAN

CURRENT SURFACE USE: Agriculture.

PROPOSED SURFACE DISTURBANCE: Construction of 4060 feet of access road, and a well location 345' x 210' plus reserve pit and soil stockpile storage outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None shown on attached 'TOPO C' map from GIS database, however other wells are planned in the area.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow the edge of the access road approximately 8,860 feet to a tie-in point with a proposed pipeline along the Bonanza highway.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be borrowed from site during construction of location.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS?
EXPLAIN: Not likely. The location is not within the Green River floodplain.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None. The Green River floodplain is approximately 3/8 mile to the north.

FLORA/FAUNA: Flora is a good stand of alfalfa hay. Dominant fauna is pronghorn, rodents, songbirds, raptors, turkeys, deer, bobcat, coyote.

SOIL TYPE AND CHARACTERISTICS: Deep loamy sand, probably underlain with river deposited gravels.

EROSION/SEDIMENTATION/STABILITY: No erosion, sedimentation or stability problems are anticipated with the construction and operation of the location.

PALEONTOLOGICAL POTENTIAL: none observed.

RESERVE PIT

CHARACTERISTICS: 150' by 75' and 12' deep. The reserve pit is planned in an area of cut on the northeast side of the location. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): A liner will be required for reserve pit. Sensitivity score of 25, rating as Level I, Highly Sensitive. Operator routinely installs a 16 mil. liner in all reserve pits.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Site was inspected by Sagebrush Archeological Consultants. A report of this investigation will be placed in the file.

OTHER OBSERVATIONS/COMMENTS

The location is within a SITLA Agricultural Lease, leased to Burnell Slauch. The Slaughs own adjacent property, which is also cultivated and irrigated with wheel-line irrigation systems. A portion of the proposed access road also will cross the Slaughs property. Houston Exploration has reached an agreement with the Slaughs for the road ROW. They also have agreed to compensate the Slaughs for the loss of the agriculture within the area made unusable by the well operation.

Ben Williams representing the UDWR stated the area is classified as high value yearlong habitat for antelope and critical value yearlong habitat for deer relative to its vicinity to the Green River. He did not recommend any restrictions to the Operator.

ATTACHMENTS

Photos of site have been taken and placed on file.

Floyd Bartlett
DOGM REPRESENTATIVE

08/24/2006; 10:00 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

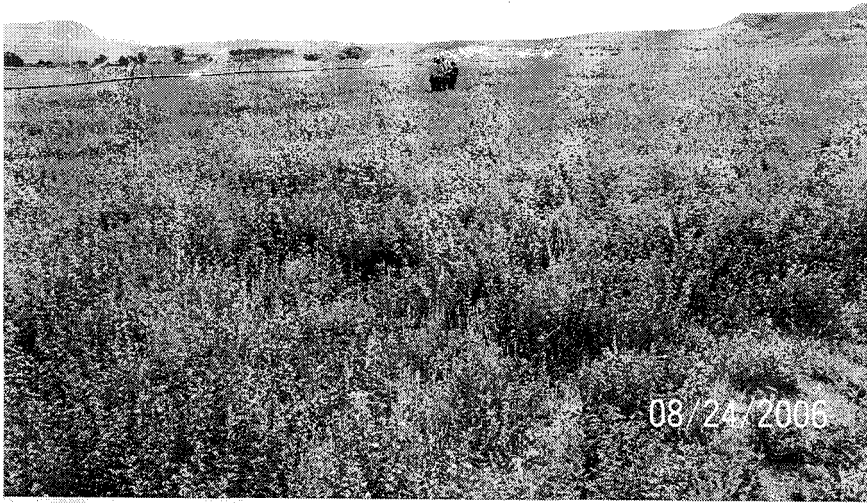
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	5
<25 or recharge area	20	
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 25 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.







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Business



Search Ut

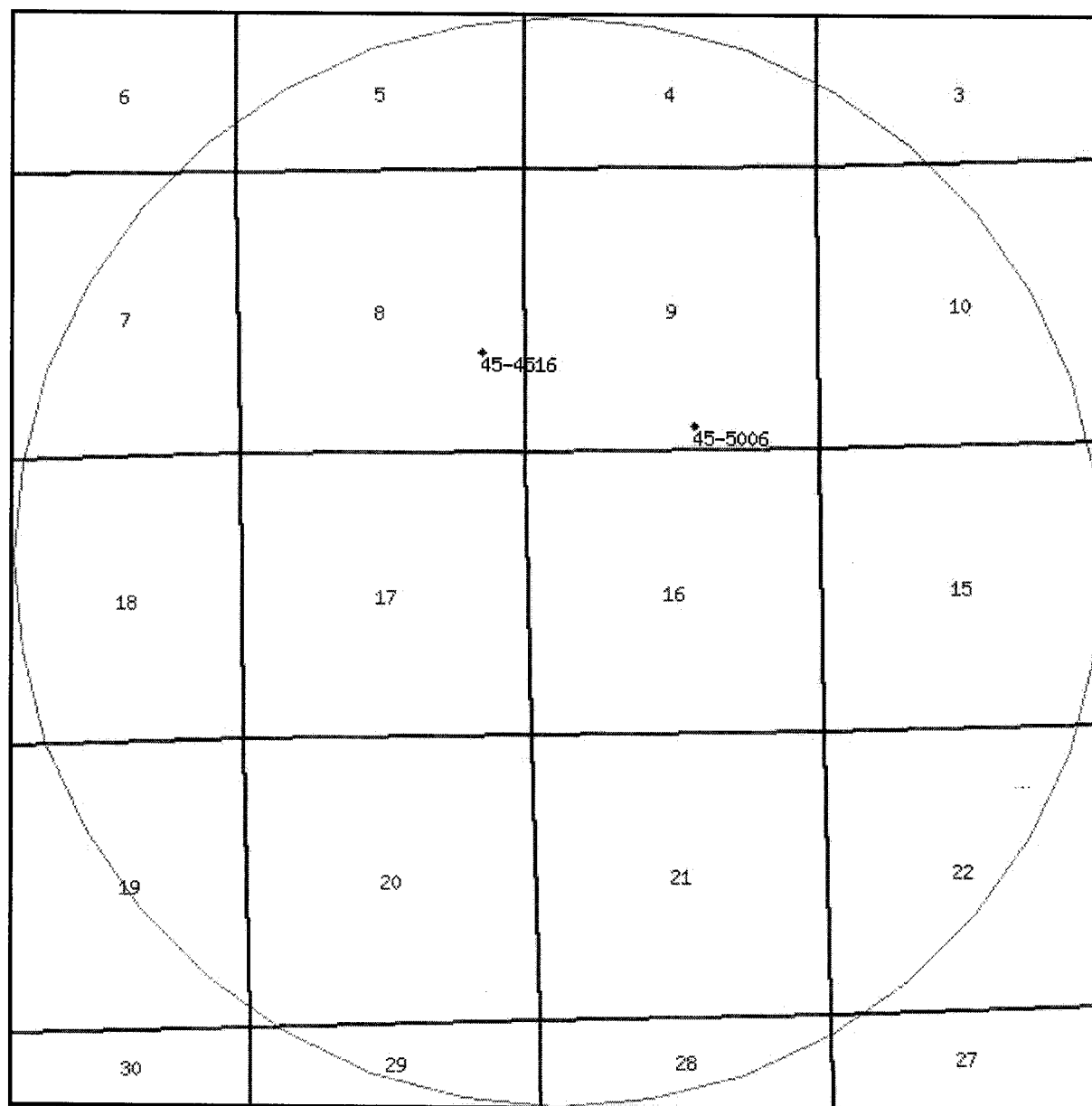
UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00

Rundate: 08/29/2006 01:35 PM

Radius search of 10000 feet from a point S2010 E595 from the NW corner, section 16, Township 6S, Range 22E, SL b&m Criteria: wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all




0 1300 2600 3900 5200 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner
<u>45-4516</u>	Underground S775 W775 E4 08 6S 22E SL	<u>well info</u>	P	19800422	DIS	0.015	0.000	TODD R., SUSAN F., CHRISTINA M. THAI P.O. BOX 876
<u>45-5006</u>	Underground N450 E400 S4 09 6S 22E SL		U	19820416	O	0.030	0.000	R. G. WILEY P.O. BOX #202

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or August 18, 2006
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: The Houston Exploration Company proposes to drill the North Horseshoe 5-16-6-22 well (wildcat) on a State lease ML-47969, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 2010' FNL 595' FWL, SW/4 NW/4, Section 16, Township 6 South, Range 22 East, Uintah County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  for Gil Hunt, Associate Director Date: August 4, 2006

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-47969	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: NA	
2. NAME OF OPERATOR: THE HOUSTON EXPLORATION COMPANY				9. WELL NAME and NUMBER: North Horseshoe S-16-6-22	
3. ADDRESS OF OPERATOR: 1100 Louisiana Suite 2000 Houston STATE TX ZIP 77002			PHONE NUMBER: 713-830-6800		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2010' FNL + 595' FWL SWNW AT PROPOSED PRODUCING ZONE: Same as above				10. FIELD AND POOL, OR WILDCAT: Wildcat	
				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 16, 6S., 22E. SLB+m.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 13.2 miles South of Vernal, UT				12. COUNTY: Uintah	
13. STATE: UTAH					
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 595'		16. NUMBER OF ACRES IN LEASE: 2230		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA		19. PROPOSED DEPTH: 10,500'		20. BOND DESCRIPTION: 104155044	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4754'		22. APPROXIMATE DATE WORK WILL START: 09/21/2006		23. ESTIMATED DURATION: 30 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
30	26	A430	68.75#	40'	Portland CMT 1185ks 1.15ft ³ 13.5ppg
24	20	H-40	94#	350'	Portland CMT 3225ks 1.15ft ³ 15.8ppg
17 1/2	13 3/8	N-80	72#	3,900'	Premium "5" 7425ks 3.82ft ³ 16.0ppg
					Class "G" 5890ks 1.18ft ³ 15.6ppg
11	8 5/8	K-55	36#	7,000'	50/50 POZ'G 13615ks 1.25ft ³ 14.35ppg
7 7/8	4 1/2	N-80	11.6#	7,700'	PREM. AG300 265ks 1.73ft ³ 13.5ppg
7 7/8	4 1/2	P110	13.5#	10,500'	PREM. AG300 4615ks 1.73ft ³ 13.5ppg

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) William Ryan TITLE _____

SIGNATURE William A. Ryan DATE _____

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38406

APPROVAL: _____

RECEIVED
JUL 26 2006

DIV. OF OIL, GAS & MINING

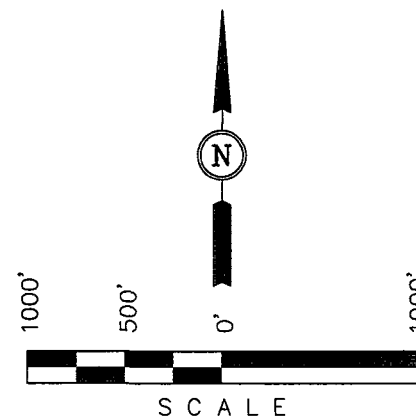
T6S, R22E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

Well location, NORTH HORSESHOE #5-16-6-22, located as shown in the SW 1/4 NW 1/4 of Section 16, T6S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A HILLTOP LOCATED IN THE SW 1/4 OF SECTION 11, T6S, R22E, S.L.B.&M. TAKEN FROM THE RASMUSSEN HOLLOW QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4993 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 16139
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 12-01-05	DATE DRAWN: 12-07-05
PARTY N.H. D.S. P.M.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE THE HOUSTON EXPLORATION COMPANY	

LEGEND:

└─┘ = 90° SYMBOL

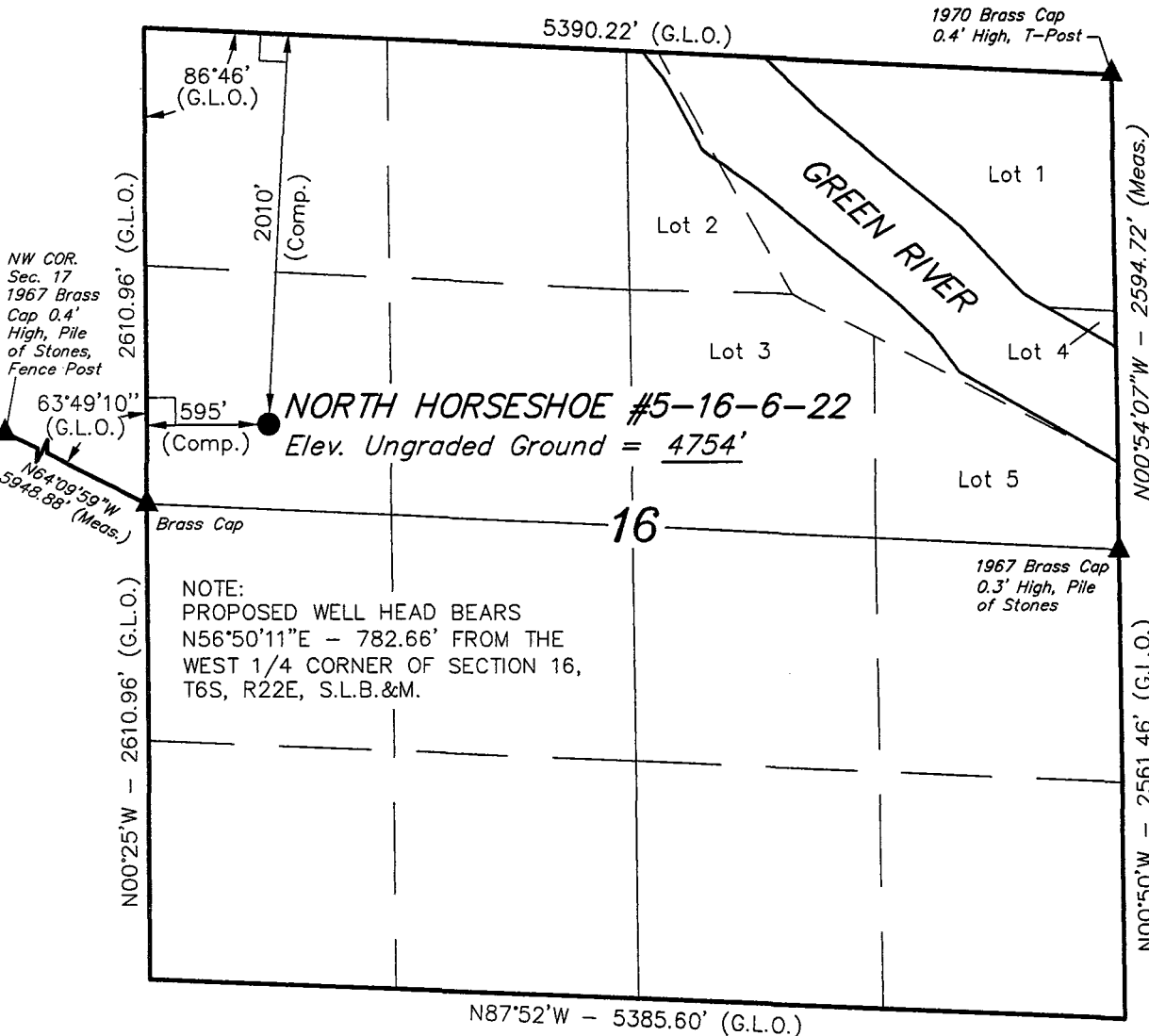
● = PROPOSED WELL HEAD.

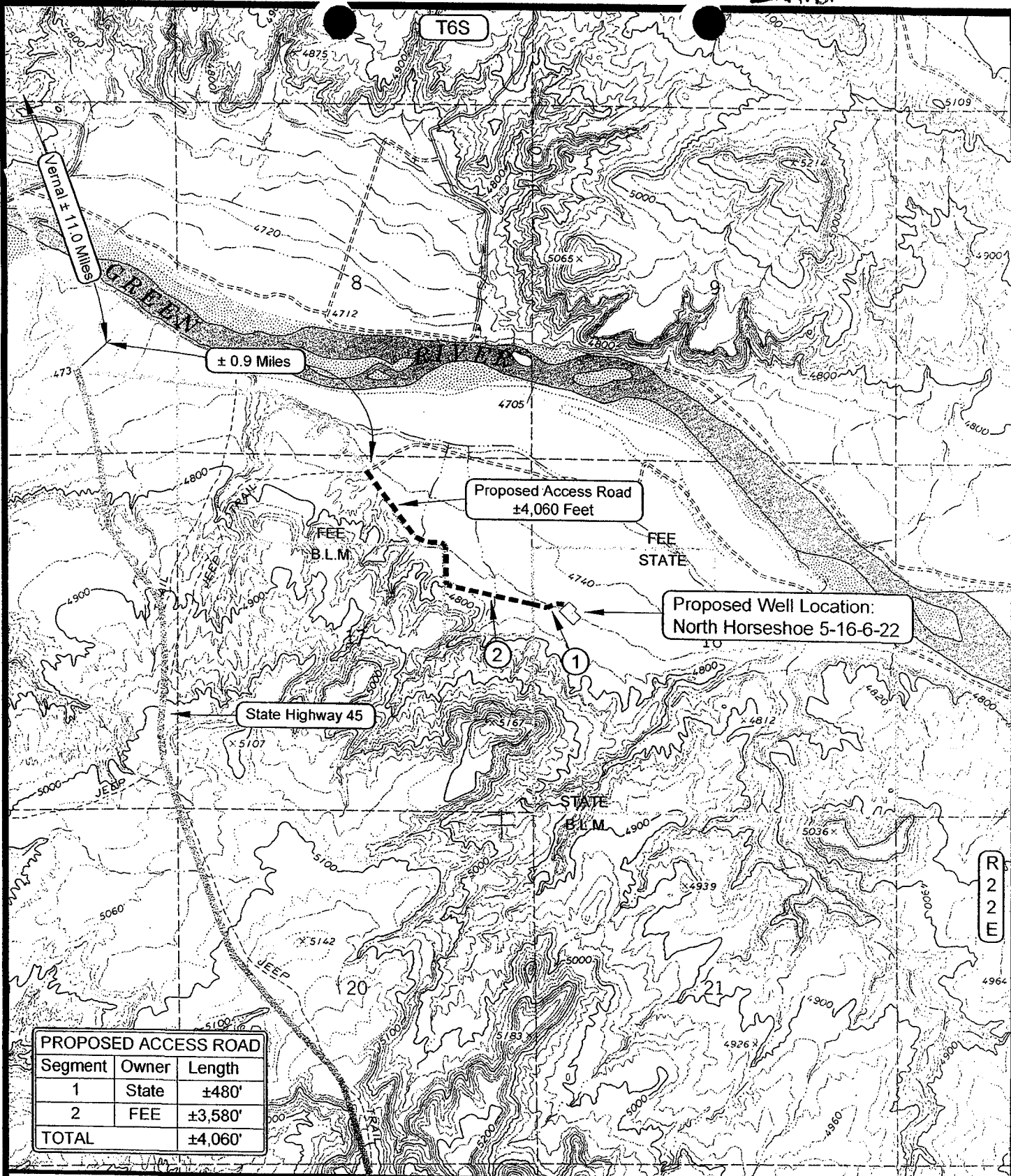
▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
LATITUDE = 40°18'01.81" (40.300503)
LONGITUDE = 109°27'17.24" (109.454789)
(AUTONOMOUS NAD 27)
LATITUDE = 40°18'01.94" (40.300539)
LONGITUDE = 109°27'14.76" (109.454100)

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.





PROPOSED ACCESS ROAD		
Segment	Owner	Length
1	State	±480'
2	FEE	±3,580'
TOTAL		±4,060'

LEGEND

- PROPOSED ACCESS ROAD
- — — — — = SUBJECT WELL
- = OTHER WELLS
- — — — — = EXISTING ROAD
- — — — — = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- — — — — = LEASE LINE AND / OR PROPERTY LINE

THE HOUSTON EXPLORATION COMPANY

North Horseshoe 5-16-6-22
SECTION 16, T6S, R22E, S.L.B.&M.
2010' FNL & 595' FWL

TOPOGRAPHIC MAP "B"

DATE SURVEYED: 07-05-06
DATE DRAWN: 07-06-06
REVISD:

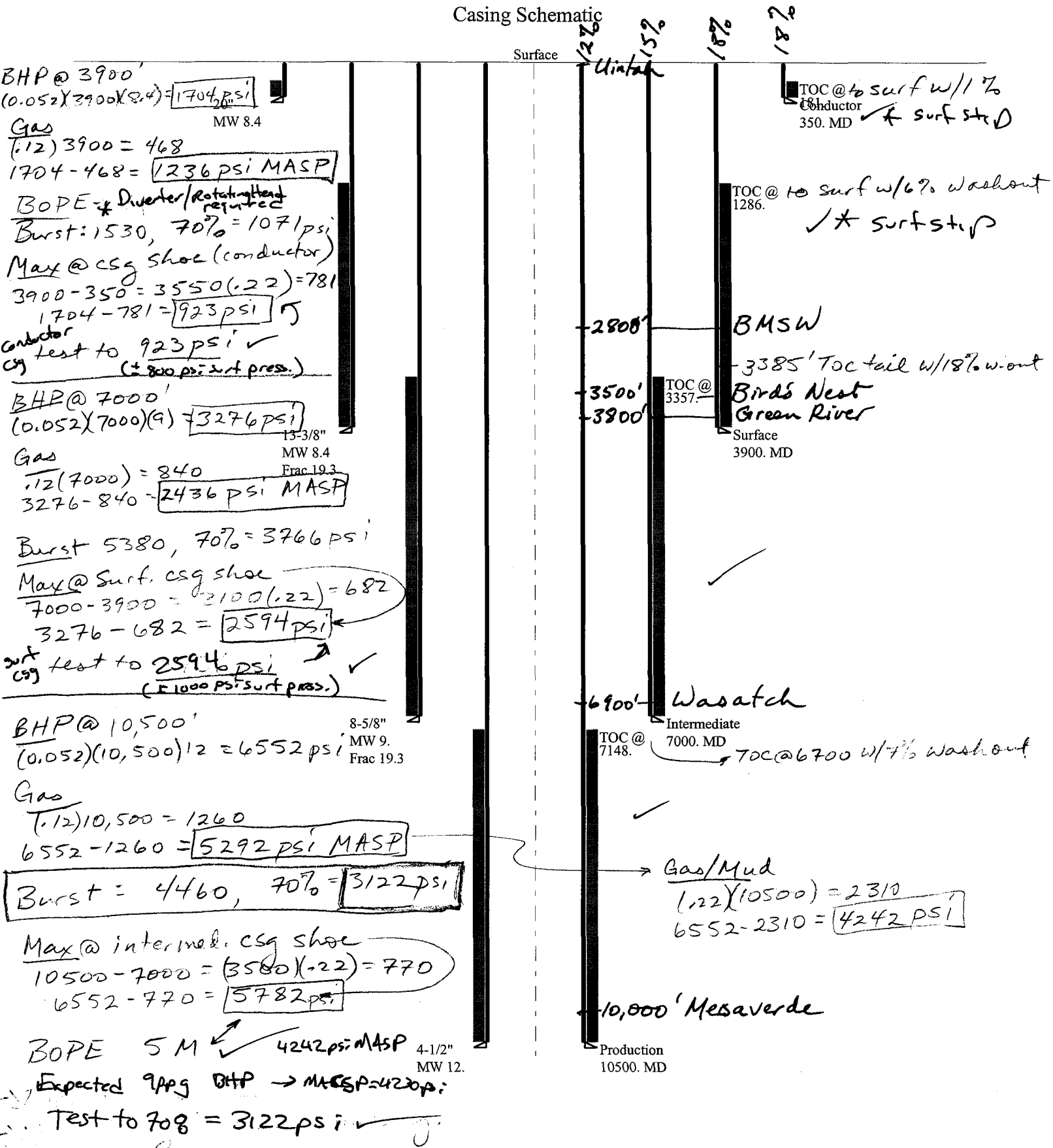
SCALE: 1" = 2000'
DRAWN BY: BJ.Z.

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

B
TOPO

09-06 Houston N Horseshoe 5 16-6-22

Casing Schematic



✓ Adequate DKO 16/6/06

Well name:	2006-09 Houston N. Horseshoe 5-16-6-22	
Operator:	Houston Exploration Company	Project ID:
String type:	Conductor	43-047-38406
Location:	Uintah County	

Design parameters:
Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 70 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 299 ft

Cement top: 181 ft

Burst

Max anticipated surface pressure: 111 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 153 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 306 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	350	20	94.00	H-40	ST&C	350	350	18.999	698.2
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	153	520	3.405 ✓	153	1530	10.02 ✓	33	581	17.66 J ✓

Prepared by: Dustin K. Doucet
Div of Oil, Gas & Minerals

Phone: (801) 538-5281
FAX: (801) 359-3940

Date: September 20, 2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	2006-09 Houston N. Horseshoe 5-16-6-22	
Operator:	Houston Exploration Company	
String type:	Surface	Project ID: 43-047-38406
Location:	Uintah County	

Design parameters:
Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 120 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 299 ft

Cement top: 1,285 ft

Burst

Max anticipated surface pressure: 1,733 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 2,591 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 3,409 ft

Non-directional string.
Re subsequent strings:

Next setting depth: 7,000 ft
Next mud weight: 9.000 ppg
Next setting BHP: 3,273 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 3,900 ft
Injection pressure: 3,900 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3900	13.375	72.00	N-80	ST&C	3900	3900	12.25	3242.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1702	2670	1.569 ✓	2591	5380	2.08 ✓	281	1040	3.70 J ✓

Prepared by: Dustin K. Doucet
Div of Oil, Gas & Minerals

Phone: (801) 538-5281
FAX: (801) 359-3940

Date: September 20, 2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	2006-09 Houston N. Horseshoe 5-16-6-22	
Operator:	Houston Exploration Company	
String type:	Intermediate	Project ID: 43-047-38406
Location:	Uintah County	

Design parameters:
Collapse

Mud weight: 9.000 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 163 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 3,357 ft

Burst

Max anticipated surface pressure: 4,235 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 5,775 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 6,060 ft

Non-directional string.
Re subsequent strings:

Next setting depth: 10,500 ft
Next mud weight: 12.000 ppg
Next setting BHP: 6,545 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 7,000 ft
Injection pressure: 7,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	7000	8.625	36.00	K-55	LT&C	7000	7000	7.7	2337.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3273	3450	1.054	5775	4460	0.77	218	526	2.41 J

Burst using est 9ppg mud wt @ TD
Collapse

4144
OK to TD w/ 8.4 ppg ✓
OK to 6550' w/ evnc. hole @ 9ppg ✓
OK to TD w/ gas grad inside pipe @ 9ppg ✓

Prepared by: Dustin K. Doucet
Div of Oil, Gas & Minerals

Phone: (801) 538-5281
FAX: (801) 359-3940

Date: September 21, 2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	2006-09 Houston N. Horseshoe 5-16-6-22	
Operator:	Houston Exploration Company	
String type:	Production	Project ID: 43-047-38406
Location:	Uintah County	

Design parameters:
Collapse

Mud weight: 12.000 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 212 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 7,149 ft

Burst

Max anticipated surface pressure: 4,235 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 6,545 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 8,817 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
2	7700	4.5	11.60	N-80	LT&C	7700	7700	3.875	672
1	2800	4.5	13.50	P-110	LT&C	10500	10500	3.795	234.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	4800	6058	1.262 ✓	5929	7780	1.31 ✓	104	223	2.14 J ✓
1	6545	10680	1.632 ✓	6545	12410	1.90 ✓	15	338	22.41 J ✓

Prepared by: Dustin K. Doucet
Div of Oil, Gas & Minerals

Phone: (801) 538-5281
FAX: (801) 359-3940

Date: September 20, 2006
Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

From: Robert Clark
To: Whitney, Diana
Date: 8/14/2006 10:34:14 AM
Subject: RDCC short turn around responses

THEC
43-047-38406

The following comments are provided in response to short turn around items RDCC #6916 through RDCC #6921, and RDCC #6943.

RDCC #6916, Comments begin: The proposal of Enduring Resources, LLC to drill the Southam Canyon 10-25-34-32 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.

Comments end. RDCC #6917, Comments begin: The proposal of Enduring Resources, LLC to drill the Southam Canyon 10-25-14-32 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at

www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end. RDCC #6918, Comments begin:** The proposal of Enduring Resources, LLC to drill the Southam Canyon 10-25-11-32 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at

www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end. RDCC #6919, Comments begin:** The proposal of the Houston Exploration Company to drill the North Horseshoe 5-16-6-22 wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for

preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at

www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end. RDCC #6920, Comments begin:** The proposal of Petro-Hunt, LLC to drill the **Vonda H. Christensen Family LP 35A-3-1** wildcat well, in Sanpete County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>.

The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at

www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end. RDCC #6921, Comments begin:** The proposal of Petro-Hunt, LLC to drill the **Lamb Trust 31B-1-1** wildcat well, in Sanpete County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project

is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.**

RDCC #6943, Comments begin: The proposal of Enduring Resources, LLC to drill the **Long Draw 12-24-31-26** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm . **Comments end.** Robert Clark Division of Air Quality 536-4435

CC: McNeill, Dave; Wright, Carolyn

MEMORANDUM

*THEC
43-047-38406*

DATE: August 15, 2006

TO: Utah Division of Oil, Gas and Mining, Forestry, Fire, and State Lands, and Resource Development Coordinating Committee

FROM: Utah Geological Survey, Ground Water and Paleontology Program

SUBJECT: UGS comments on RDCC items 6916, 6917, 6918, 6919, 6920, 6921, 6922, and 6943.

6916. Division of Oil, Gas and Mining # ML-47065
Short Turn Around; Sec. 32, T10S, R25E
Uintah Co.

Application for Permit to Drill - proposal to drill a wildcat well the Southam Canyon 10-25-34-32 on a State lease ML-47065

Although there are no paleontological localities recorded in our files in this project area, it is mapped as T3 (Eocene Uinta and Duchesne River Formations) on the Utah State Geological Map. The Uinta and Duchesne River Formations are among the most paleontological sensitive rock units in Utah and have a strong potential for yielding significant vertebrate fossil localities. The office of the State paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements.

6917. Division of Oil, Gas and Mining
Short Turn Around;; Sec. 32, T10S, R25E
Uintah Co.

Application for Permit to Drill - proposal to drill a wildcat well the Southam Canyon 10-25-14-32 on a State lease ML-47065

Although there are no paleontological localities recorded in our files in this project area, it is mapped as T3 (Eocene Uinta and Duchesne River Formations) on the Utah State Geological Map. The Uinta and Duchesne River Formations are among the most paleontological sensitive rock units in Utah and have a strong potential for yielding significant vertebrate fossil localities. The office of the State paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements.

6918. Division of Oil, Gas and Mining
Short Turn Around; Sec. 32, T10S, R25E
Uintah Co.

Application for Permit to Drill - proposal to drill the Southam Canyon 10-25-11-32 on a State lease ML-47065

Although there are no paleontological localities recorded in our files in this project area, it is mapped as T3 (Eocene Uinta and Duchesne River Formations) on the Utah State Geological Map. The Uinta and Duchesne River Formations are among the most paleontological sensitive rock units in Utah and have a strong potential for yielding significant vertebrate fossil localities. The office of the State paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements.

6919. Division of Oil, Gas and Mining
Short Turn Around; Sec. 16, T6S, R22E
Uintah Co.

Application for Permit to Drill - proposal to drill a wildcat well the North Horseshoe 5-16-6-22 on a State lease ML-47969

Although there are no paleontological localities recorded in our files in this project area, it is mapped as T3 (Eocene Uinta and Duchesne River Formations) on the Utah State Geological Map. The Uinta and Duchesne River Formations are among the most paleontological sensitive rock units in Utah and have a strong potential for yielding significant vertebrate fossil localities. The office of the State paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements.

6920. Division of Oil, Gas and Mining
Short Turn Around; Sec. 35, T16S, R2E
Sanpete Co.

Application for Permit to Drill - proposal to drill a wildcat well the Vonda H. Christ. Fam. 35A-3-1 on a Fee lease

Although there are no paleontological localities recorded in our files in this project area, it is mapped as T3 (Eocene Uinta and Duchesne River Formations) on the Utah State Geological Map. The Uinta and Duchesne River Formations are among the most paleontological sensitive rock units in Utah and have a strong potential for yielding significant vertebrate fossil localities. The office of the State paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements.

6921. Division of Oil, Gas and Mining
Short Turn Around; Sec. 31, T15S, R3E
Sanpete Co.

Application for Permit to Drill - proposal to drill a wildcat well the Lamb Trust 31B-1-1 on a Fee lease Fee

Although there are no paleontological localities recorded in our files in this project area, it is mapped as T3 (Eocene Uinta and Duchesne River Formations) on the Utah State Geological Map. The Uinta and Duchesne River Formations are among the most paleontological sensitive rock units in Utah and have a strong potential for yielding significant vertebrate fossil localities. The office of the State paleontologist therefore recommends that a paleontological survey be conducted for this project and its

easements..

6922. Trust Lands Administration
Other Proposed Actions; State Land Proposals
Sec. 16, T10S, R18E; Uintah Co; Easement #1124

Two paleontological localities with vertebrate fossils, Utah Paleontological Localities Un 1699 and Un 1700, are recorded in our files in this project area. The project is mapped as T3 (Eocene Uinta and Duchesne River Formations) on the Utah State Geological Map. The Uinta and Duchesne River Formations are among the most paleontological sensitive rock units in Utah and have a strong potential for yielding significant vertebrate fossil localities. The office of the State paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements and, if these known critical fossil localities are to be impacted, they should be mitigated by a permitted paleontologist.

6943. Division of Forestry, Fire and State Lands
Short Turn Around; Drilling Permits; Sec. 26, T12S, R24E
Uintah Co.
Application for Permit to Drill - proposal to drill a wildcat well the Long Draw 12-24-31-26 on a State lease ML-47090

Although there are no paleontological localities recorded in our files in this project area, it is mapped as T3 (Eocene Uinta and Duchesne River Formations) on the Utah State Geological Map. The Uinta and Duchesne River Formations are among the most paleontological sensitive rock units in Utah and have a strong potential for yielding significant vertebrate fossil localities. The office of the State paleontologist therefore recommends that a paleontological survey be conducted for this project and its easements.

From: Carolyn Wright
To: Whitney, Diana
Date: 8/17/2006 10:34:46 AM
Subject: Fwd: comments

THEC
43-047-38406

FYI

>>> Shelly Quick 08/15/06 12:40 PM >>>

Project Number: 6919

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 16, T6S, R22E

Counties Affected: Uintah

Description: Application for Permit to Drill - proposal to drill a wildcat well the North Horseshoe 5-16-6-22 on a State lease ML-47969

Comments:

Well must be sited, drilled, and managed to prevent degradation of water quality through measures to limit erosion, limit stormwater runoff, and limit pollutant loading to runoff. 1- Wellpad placement or expansion disturbs soils. Vegetative and/or structural measures to control erosion should be implemented within 60 days of initial soil disturbance to prevent erosion leaving the site from exceeding the tolerable rate as determined by the local office of USDA/NRCS. Such erosion control shall be maintained for the duration of the lease and shall remain in functional operation when the lease or permit is terminated. 2- If vegetation surrounding the wellpad does not provide at least 60% ground cover within 60 days of creating the wellpad, engineering practices should be implemented within those 60 days to control erosion. Such engineering measures may include mulching, use of fiber mats, cross slope trenching, contour furrows, rock dams, terracing or such other erosion control practices as are required to prevent erosion from exceeding the tolerable rate. 3- No disturbance or degradation to or of surrounding or nearby soils, native or beneficial vegetation, or riparian areas should be permitted outside of the area defined in the permit. 4- No spills nor runoff of chemicals including hydrocarbons, lubricants, salt water, antifreeze, or other potentially damaging materials should be permitted. 5- Before wellpad use is discontinued, permit holder shall restore the site to prevent stormwater runoff from exceeding water quality standards. Erosion from the site shall not exceed the tolerable rate as established by the local office of USDA / NRCS either while the wellpad site is in use, or when it is no longer in active use. No petrochemicals, salt, pesticides, nor other introduced potential pollutants shall be left such that they might be eroded, dissolved, blown, or otherwise carried away to become potential pollutant loads. 6- Employing structural BMPS for access roadways to capture sediment in runoff before it would enter intermittent or perennial streams, or washes, or gullies.

From: Carolyn Wright
To: Whitney, Diana
Date: 8/21/2006 9:20:30 AM
Subject: Fwd: comments

THEC
43-047-38406

>>> Shelly Quick 8/15/2006 12:40 PM >>>

Project Number: 6919

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 16, T6S, R22E

Counties Affected: Uintah

Description: Application for Permit to Drill - proposal to drill a wildcat well the North Horseshoe 5-16-6-22 on a State lease ML-47969

Comments:

Well must be sited, drilled, and managed to prevent degradation of water quality through measures to limit erosion, limit stormwater runoff, and limit pollutant loading to runoff. 1- Wellpad placement or expansion disturbs soils. Vegetative and/or structural measures to control erosion should be implemented within 60 days of initial soil disturbance to prevent erosion leaving the site from exceeding the tolerable rate as determined by the local office of USDA/NRCS. Such erosion control shall be maintained for the duration of the lease and shall remain in functional operation when the lease or permit is terminated. 2- If vegetation surrounding the wellpad does not provide at least 60% ground cover within 60 days of creating the wellpad, engineering practices should be implemented within those 60 days to control erosion. Such engineering measures may include mulching, use of fiber mats, cross slope trenching, contour furrows, rock dams, terracing or such other erosion control practices as are required to prevent erosion from exceeding the tolerable rate. 3- No disturbance or degradation to or of surrounding or nearby soils, native or beneficial vegetation, or riparian areas should be permitted outside of the area defined in the permit. 4- No spills nor runoff of chemicals including hydrocarbons, lubricants, salt water, antifreeze, or other potentially damaging materials should be permitted. 5- Before wellpad use is discontinued, permit holder shall restore the site to prevent stormwater runoff from exceeding water quality standards. Erosion from the site shall not exceed the tolerable rate as established by the local office of USDA / NRCS either while the wellpad site is in use, or when it is no longer in active use. No petrochemicals, salt, pesticides, nor other introduced potential pollutants shall be left such that they might be eroded, dissolved, blown, or otherwise carried away to become potential pollutant loads. 6- Employing structural BMPS for access roadways to capture sediment in runoff before it would enter intermittent or perennial streams, or washes, or gullies.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 10, 2006

Houston Exploration Company
1100 Louisiana, Ste. 2000
Houston, TX 77002

Re: North Horseshoe 5-16-6-22 Well, 2010' FNL, 595' FWL, SW NW, Sec. 16,
T. 6 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38406.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Houston Exploration Company
Well Name & Number North Horseshoe 5-16-6-22
API Number: 43-047-38406
Lease: ML-47969

Location: SW NW Sec. 16 T. 6 South R. 22 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. **Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.**

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.
8. Cement volumes for the 20" and 13 3/8" casing strings shall be determined from actual hole diameters in order to place cement from the pipe setting depths back to the surface.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

Change of Operator (Well Sold)

X - Operator Merger

The operator of the well(s) listed below has changed, effective:

6/1/2007

FROM: (Old Operator):

N2525 - The Houston Exploration Company
 1100 Louisiana, Suite 2000
 Houston, TX 77002

Phone: 1-(713) 830-6800

TO: (New Operator):

N6965-Forest Oil Corporation
 707 17th St, Suite 3600
 Denver, CO 80202

Phone: 1 (303) 812-1755

CA No.				Unit:				
WELL NAME	SEC TWN RNG			API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/30/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/30/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/31/2007
- a. Is the new operator registered in the State of Utah: Business Number: 571171-0143
- b. If **NO**, the operator was contacted on: _____
- a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: _____
- c. Reports current for Production/Disposition & Sundries on: YES
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 7/31/2007 BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 8/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/27/2007
- Bond information entered in RBDMS on: 8/27/2007
- Fee/State wells attached to bond in RBDMS on: 8/27/2007
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 7/30/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 6236351
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 6218963
- b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 8/1/2007

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached List
2. NAME OF OPERATOR: Forest Oil Corporation <i>N6965</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 707 17th Street, #3600 CITY Denver, STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (303) 812-1755		8. WELL NAME and NUMBER: See Attached List
4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached list		9. API NUMBER: various
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:
COUNTY:		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

N2525
Effective 6/1/2007 please change the operator for the attached list of Utah wells from The Houston Exploration Company N-2525 to Forest Oil Corporation (N-6965). Forest merged with The Houston Exploration Company, a copy of the merger document is attached.. The contract operated wells will continue to be contract operated by Enduring.

Forest Oil Corporation as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning approved operations conducted on the lease or portion of the lease described.

Forest Oil Corporation meets the State of Utah bonding requirements under Safeco bond #6218963.

Please send all future correspondence to Forest Oil Corporation at the above listed address.

Forest Oil Corporation, 707 17th Street, Suite #3600, Denver, CO 80202

JCR
J. C. Ridens, Senior Vice President - Western Region

7-5-07
Date

NAME (PLEASE PRINT) <u>Joanne C. Hresko</u>	TITLE <u>Vice President & General Mgr. - Northern Division</u>
SIGNATURE <i>Joanne C. Hresko</i>	DATE <u>7-5-07</u>

(This space for State use only)

APPROVED *8/27/07*
Earlene Russell
(5/2000) Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

All wells with APD or New status

(See Instructions on Reverse Side)

RECEIVED

JUL 30 2007

DIV OF OIL, GAS & MINING

wmp

well_name	sec	tpw	rng	api	entity	lease	well	stat	flag
HORSESHOE BEND 16-33	33	060S	210E	4304736214		Federal	OW	APD	
HORSESHOE BEND 3-33	33	060S	210E	4304736215		Federal	OW	APD	
N HORSESHOE 7-16-6-21	16	060S	210E	4304737438		State	GW	APD	C
N HORSESHOE 9-16-6-21	16	060S	210E	4304737439		State	GW	APD	C
N HORSESHOE 15-16-6-21	16	060S	210E	4304737440		State	GW	APD	C
N HORSESHOE 11-16-6-21	16	060S	210E	4304737441		State	GW	APD	C
N HORSESHOE 1-16-6-21	16	060S	210E	4304737442		State	GW	APD	C
N HORSESHOE 13-2-6-21	02	060S	210E	4304737476		State	GW	APD	C
N HORSESHOE 15-2-6-21	02	060S	210E	4304737477		State	GW	APD	C
GUSHER 2-2-6-19	02	060S	190E	4304737561		State	OW	APD	C
GUSHER 16-2-6-19	02	060S	190E	4304737562		State	OW	APD	C
GUSHER 1-2-6-19	02	060S	190E	4304737563		State	OW	APD	C
GUSHER 3-2-6-19	02	060S	190E	4304737568		State	OW	APD	C
E COYOTE 6-2-8-25	02	080S	250E	4304737572		State	GW	APD	C
E COYOTE 3-2-8-25	02	080S	250E	4304737573		State	GW	APD	C
E COYOTE 8-2-8-25	02	080S	250E	4304737574		State	GW	APD	C
N HORSESHOE 13-16-6-21	16	060S	210E	4304737575		State	GW	APD	C
E COYOTE 4-2-8-25	02	080S	250E	4304737882		State	GW	APD	C
E COYOTE 14-2-8-25	02	080S	250E	4304737883		State	GW	APD	C
E COYOTE 10-2-8-25	02	080S	250E	4304737884		State	GW	APD	C
E COYOTE 16-2-8-25	02	080S	250E	4304737885		State	GW	APD	C
E COYOTE 12-2-8-25	02	080S	250E	4304737886		State	GW	APD	C
N HORSESHOE 16-18-6-22	18	060S	220E	4304737887		Federal	GW	APD	C
N HORSESHOE 14-18-6-22	18	060S	220E	4304737888		Federal	GW	APD	C
N HORSESHOE 2-18-6-22	18	060S	220E	4304737889		Federal	GW	APD	C
N HORSESHOE 10-18-6-22	18	060S	220E	4304737890		Federal	GW	APD	C
N HORSESHOE 8-18-6-22	18	060S	220E	4304737891		Federal	GW	APD	C
N HORSESHOE 13-15-6-21	15	060S	210E	4304738013		Federal	GW	APD	C
N HORSESHOE 15-15-6-21	15	060S	210E	4304738014		Federal	GW	APD	C
N HORSESHOE 11-15-6-21	15	060S	210E	4304738015		Federal	GW	APD	C
N HORSESHOE 9-15-6-21	15	060S	210E	4304738016		Federal	GW	APD	C
N HORSESHOE 5-15-6-21	15	060S	210E	4304738017		Federal	GW	APD	C
N HORSESHOE 3-15-6-21	15	060S	210E	4304738018		Federal	GW	APD	C
N HORSESHOE 5-20-6-22	20	060S	220E	4304738019		Federal	GW	APD	C
N HORSESHOE 13-20-6-22	20	060S	220E	4304738020		Federal	GW	APD	C
N HORSESHOE 3-20-6-22	20	060S	220E	4304738021		Federal	GW	APD	C
N HORSESHOE 7-20-6-22	20	060S	220E	4304738022		Federal	GW	APD	C
N HORSESHOE 11-20-6-22	20	060S	220E	4304738023		Federal	GW	APD	C
N HORSESHOE 2-12-6-21	12	060S	210E	4304738198		Federal	GW	APD	C
N HORSESHOE 14-12-6-21	12	060S	210E	4304738199		Federal	GW	APD	C
N HORSESHOE 10-12-6-21	12	060S	210E	4304738200		Federal	GW	APD	C
N HORSESHOE 8-12-6-21	12	060S	210E	4304738201		Federal	GW	APD	C
N HORSESHOE 16-13-6-21	13	060S	210E	4304738202		Federal	GW	APD	C
N HORSESHOE 15-17-6-22	17	060S	220E	4304738203		Federal	GW	APD	C
N HORSESHOE 5-19-6-22	19	060S	220E	4304738204		Federal	GW	APD	C
N HORSESHOE 15-19-6-22	19	060S	220E	4304738205		Federal	GW	APD	C
N HORSESHOE 3-21-6-22	21	060S	220E	4304738206		Federal	GW	APD	C
N HORSESHOE 11-21-6-22	21	060S	220E	4304738207		Federal	GW	APD	C
N HORSESHOE 15-21-6-22	21	060S	220E	4304738208		Federal	GW	APD	C
N HORSESHOE 13-21-6-22	21	060S	220E	4304738209		Federal	GW	APD	C
N HORSESHOE 5-21-6-22	21	060S	220E	4304738210		Federal	GW	APD	C
N HORSESHOE 7-19-6-22	19	060S	220E	4304738271		Federal	GW	APD	C
N HORSESHOE 5-16-6-22	16	060S	220E	4304738406		State	GW	APD	

well_name	sec	twp	rng	api	entity	lease	well	stat	flag
TWELVEMILE WASH 11-13-5-20	13	050S	200E	4304738437		Federal	GW	APD	C
TWELVEMILE WASH 1-15-5-20	15	050S	200E	4304738438		Federal	GW	APD	C
N HORSESHOE 4-33-5-21	33	050S	210E	4304738439		Federal	GW	APD	C
GUSHER 6-15-6-19	15	060S	190E	4304738440		Federal	GW	APD	C
HORSESHOE BEND W 9-34-6-20	34	060S	200E	4304738441		Federal	GW	APD	C
N HORSESHOE 16-12-6-21	12	060S	210E	4304738442		Federal	GW	APD	C
N WALKER HOLLOW 12-29-6-23	29	060S	230E	4304738443		Federal	GW	APD	C
N WALKER HOLLOW 10-30-6-23	30	060S	230E	4304738444		Federal	GW	APD	C
PELICAN LAKE 11-3-8-20	03	080S	200E	4304738445		Federal	GW	APD	C
PELICAN LAKE 8-4-8-20	04	080S	200E	4304738446		Federal	GW	APD	C
E COYOTE 10-3-8-25	03	080S	250E	4304738447		Federal	GW	APD	C
BORDER 10-9-8-25	09	080S	250E	4304738448		Federal	GW	APD	C
N WALKER HOLLOW 14-33-6-23	33	060S	230E	4304738455		Federal	GW	APD	C
SNAKE JOHN WASH 14-11-7-25	11	070S	250E	4304738456		Federal	GW	APD	C
SNAKE JOHN WASH 4-24-7-25	24	070S	250E	4304738457		Federal	GW	APD	C
SQUAW RIDGE 1-26-7-25	26	070S	250E	4304738458		Federal	GW	APD	C
SQUAW RIDGE 13-28-7-25	28	070S	250E	4304738459		Federal	GW	APD	C
SQUAW RIDGE 16-30-7-25	30	070S	250E	4304738460		Federal	GW	APD	C
SQUAW RIDGE 14-16-7-25	16	070S	250E	4304738461		State	GW	APD	C
GUSHER 13-11-5-19	11	050S	190E	4304738462		State	GW	APD	C
N HORSESHOE 1-15-6-21	15	060S	210E	4304738831		Federal	GW	APD	C
N HORSESHOE 16-9-6-22	09	060S	220E	4304739083		State	GW	APD	
N HORSESHOE 12-7-6-22	07	060S	220E	4304739084		State	GW	APD	
N HORSESHOE 14-10-6-22	10	060S	220E	4304739085		State	GW	APD	
N HORSESHOE 2-15-6-22	15	060S	220E	4304739086		State	GW	APD	
N WALKER HOLLOW 12-32-6-23	32	060S	230E	4304739087		State	GW	APD	
N WALKER HOLLOW 10-32-6-23	32	060S	230E	4304739088		State	GW	APD	
N WALKER HOLLOW 16-32-6-23	32	060S	230E	4304739089		State	GW	APD	
N WALKER HOLLOW 8-32-6-23	32	060S	230E	4304739090		State	GW	APD	
N WALKER HOLLOW 11-36-6-23	36	060S	230E	4304739091		State	GW	APD	
N WALKER HOLLOW 13-36-6-23	36	060S	230E	4304739092		State	GW	APD	
N WALKER HOLLOW 14-32-6-23	32	060S	230E	4304739093		State	GW	APD	
N WALKER HOLLOW 15-36-6-23	36	060S	230E	4304739094		State	GW	APD	
N HORSESHOE 4-15-6-22	15	060S	220E	4304739095		State	GW	APD	
N HORSESHOE 9-10-6-21	10	060S	210E	4304739284		Federal	GW	APD	C
N HORSESHOE 12-13-6-21	13	060S	210E	4304739285		Federal	GW	APD	
N HORSESHOE 7-15-6-21	15	060S	210E	4304739286		Federal	GW	APD	
N HORSESHOE 9-19-6-22	19	060S	220E	4304739287		Federal	GW	APD	
N HORSESHOE 13-19-6-22	19	060S	220E	4304739288		Federal	GW	APD	
N HORSESHOE 11-19-6-22	19	060S	220E	4304739289		Federal	GW	APD	
SQUAW RIDGE 16-13-7-24	13	070S	240E	4304739319		Federal	GW	APD	C
N HORSESHOE 16-7-6-22	07	060S	220E	4304739320		Federal	GW	APD	C
SQUAW RIDGE 8-16-7-25	16	070S	250E	4304738024		State	GW	NEW	C

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	N Horseshoe 5-16-6-22
API number:	4304738406
Location:	Qtr-Qtr: SWNW Section: 16 Township: 6S Range: 22E
Company that filed original application:	The Houston Exploration Company
Date original permit was issued:	10/10/2006
Company that permit was issued to:	The Houston Exploration Company

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?		<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. 6218963	<input checked="" type="checkbox"/>	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Tami Hofmann Title Regulatory Specialist
 Signature *Tami Hofmann* Date 08/06/2007
 Representing (company name) Forest Oil Corporation

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

November 21, 2007

Ginger Bowden
290 South 800 East
Vernal, UT 84078

Re: APD Rescinded – North Horseshoe 5-16-6-22, Sec.16, T.6S, R. 22E
Uintah County, Utah API No. 43-047-38406

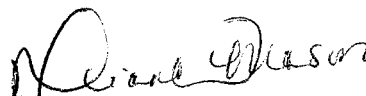
Dear Ms. Bowden:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 10, 2006. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 21, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

